

# Raízen Group

Combined consolidated and condensed interim financial information  
as at June 30, 2020

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**A free translation from Portuguese into English of Independent auditor's review report on combined and condensed interim financial information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)**

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## **Independent auditor's review report on combined and condensed interim financial information**

To the Board of Directors, Shareholders and Officers of  
**Raízen Group**

### **Introduction**

We have reviewed the combined statement of financial position of Raízen Group (the "Group") as at June 30, 2020, and the combined and condensed statements of income, of comprehensive income (loss), of changes in equity and of cash flows for the three-month period then ended, and notes to the interim financial information.

Management is responsible for the preparation of the combined and condensed interim financial information in accordance with NBC TG 21 – Interim Financial Reporting, and international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this combined and condensed interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with the Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion on the combined and condensed interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the combined and condensed interim financial information referred to above is not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34.

## **Emphasis of a matter**

### **Basis of preparation and presentation of the combined and condensed interim financial information and restriction on distribution or use**

We draw attention to Note 2.2 to the interim financial information, which describes the basis of preparation and presentation of the combined and condensed interim financial information. The combined and condensed interim financial information has been prepared for the purpose of allowing the shareholders and management of Raízen Group to assess the combined financial position of the Group as at June 30, 2020, and its combined financial performance for the period then ended. Consequently, the combined and condensed interim financial information may not be suitable for another purpose. Our conclusion is not qualified in respect of this matter.

## **Other matters**

### **Combined financial statements and combined and condensed interim financial information of prior periods examined and reviewed by another independent auditor**

The audit of the combined financial statements as at March 31, 2020 and the review of the combined and condensed interim financial information for the quarter ended June 30, 2019, presented for comparison purposes, were performed under the responsibility of other independent auditor, who issued unmodified audit and review reports dated June 5, 2020 and August 12, 2019, respectively.

São Paulo, August 10, 2020.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP034519/O-6

Original report in Portuguese signed by  
Uilian Dias Castro de Oliveira  
Accountant CRC-1SP223185/O-3

## Raízen Group

### Combined consolidated statements of financial position

June 30 and March 31, 2020

In thousands of Reais - R\$

	Note	06.30.2020	03.31.2020
Assets			
Current assets			
Cash and cash equivalents	3	5,924,541	8,601,660
Marketable securities	4	39,428	39,145
Restricted cash	5	619,866	211,070
Derivative financial instruments	27	3,503,759	5,016,307
Trade accounts receivable	6	2,817,117	2,950,341
Inventories	7	7,044,932	5,435,170
Biological assets	8	1,035,981	897,315
Income and social contribution taxes recoverable	19.b	631,718	778,694
Taxes recoverable	9	2,464,193	2,334,998
Other financial assets	10	296,599	314,273
Related parties	11	761,014	787,819
Assets from contracts with customers	12	471,964	475,305
Other receivables		638,232	472,953
Total current assets		26,249,344	28,315,050
Noncurrent assets			
Trade accounts receivable	6	380,165	346,996
Derivative financial instruments	27	3,582,768	3,128,089
Other financial assets	10	294,248	258,768
Income and social contribution taxes recoverable	19.b	517,598	541,797
Taxes recoverable	9	1,043,075	967,419
Related parties	11	1,326,874	1,264,924
Deferred income and social contribution taxes	19.d	1,545,721	1,279,947
Judicial deposits	20	478,241	471,753
Assets from contracts with customers	12	2,164,090	2,091,860
Other receivables		379,461	371,982
Investments	13	1,261,090	1,325,210
Property, Plant and Equipment (PPE)	14	17,102,243	17,160,022
Intangible assets	15	2,952,837	2,976,155
Right of use	17	5,029,640	5,099,396
Total noncurrent assets		38,058,051	37,284,318
Total assets		64,307,395	65,599,368

See accompanying notes.

## Raízen Group

### Combined consolidated statements of financial position

June 30 and March 31, 2020

In thousands of Reais - R\$

	Note	06.30.2020	03.31.2020
Liabilities and equity			
Current liabilities			
Trade accounts payable	16	8,153,158	10,227,015
Lease liabilities	17	1,002,191	1,174,750
Loans and financing	18	6,352,894	5,334,083
Related parties	11	1,252,495	1,494,946
Derivative financial instruments	27	2,858,834	3,640,357
Wages and salaries payable		748,882	627,503
Income and social contribution taxes payable	19.c	109,329	229,094
Taxes payable		479,225	444,895
Dividends and interest on equity payable	22.b	33,013	95,542
Advances from customers	6	1,208,704	239,546
Other obligations		978,690	1,844,487
Total current liabilities		<u>23,177,415</u>	<u>25,352,218</u>
Noncurrent liabilities			
Lease liabilities	17	3,426,333	3,236,998
Loans and financing	18	21,495,074	19,993,287
Related parties	11	1,069,150	1,040,355
Derivative financial instruments	27	100,014	108,123
Taxes payable		187,285	186,649
Provision for contingencies	20	1,570,008	1,558,883
Deferred income and social contribution taxes	19.d	1,701,621	1,903,225
Dividends and interest on equity payable	22.b	93,979	-
Other obligations		554,912	489,527
Total noncurrent liabilities		<u>30,198,376</u>	<u>28,517,047</u>
Total liabilities		<u>53,375,791</u>	<u>53,869,265</u>
Equity	22		
Attributable to controlling interests		10,563,548	11,364,386
Noncontrolling interests		368,056	365,717
Total equity		<u>10,931,604</u>	<u>11,730,103</u>
Total liabilities and equity		<u><u>64,307,395</u></u>	<u><u>65,599,368</u></u>

See accompanying notes.

## Raízen Group

### Combined consolidated statements of profit or loss Three-month periods ended June 30, 2020 and 2019 In thousands of Reais - R\$

	Note	Apr- Jun/20	Apr- Jun/19
Net operating revenue	23	18,923,572	28,647,449
Cost of sales and services	24	(18,279,517)	(27,102,425)
Gross profit		<u>644,055</u>	<u>1,545,024</u>
Operating income (expenses)			
Selling expenses	24	(658,863)	(723,719)
General and administrative expenses	24	(301,728)	(296,251)
Other operating income, net	25	50,459	171,716
Equity pickup	13	(82,240)	(8,947)
		<u>(992,372)</u>	<u>(857,201)</u>
(Loss) income before finance income (costs) and income and social contribution taxes		<u>(348,317)</u>	<u>687,823</u>
Finance income (costs)	26		
Finance costs		(563,493)	(699,191)
Finance income		98,775	166,643
Foreign exchange differences, net		(738,633)	176,018
Net effect of derivatives		972,226	(11,101)
		<u>(231,125)</u>	<u>(367,631)</u>
(Loss) income before income and social contribution taxes		<u>(579,442)</u>	<u>320,192</u>
Income and social contribution taxes	19.a		
Current		(49,931)	(259,307)
Deferred	19.e	216,942	151,834
		<u>167,011</u>	<u>(107,473)</u>
Net (loss) income for the period		<u>(412,431)</u>	<u>212,719</u>
Attributable to:			
Group's controlling interests		(414,770)	184,728
Group's noncontrolling		2,339	27,991
		<u>(412,431)</u>	<u>212,719</u>

See accompanying notes.

## Raízen Group

### Combined consolidated statements of comprehensive income (loss)

Three-month periods ended June 30, 2020 and 2019

(In thousands of Reais - R\$)

	<u>Apr- Jun/20</u>	<u>Apr- Jun/19</u>
Net (loss) income for the period	(412,431)	212,719
Comprehensive income (loss)		
Items that are or may be subsequently reclassified to income statement		
Gains (losses) on financial instruments designated as hedge accounting (Note 27.e)	(837,088)	81,621
Gain (losses) on hedge of net investment in a foreign operation	-	3,098
Deferred taxes on hedge (Note 19.e)	284,610	(28,804)
Foreign currency translation effects	203,410	(44,474)
	<u>(349,068)</u>	<u>11,441</u>
Other components of comprehensive income (loss) for the period	<u>(349,068)</u>	<u>11,441</u>
Total comprehensive income for the period	<u><u>(761,499)</u></u>	<u><u>224,160</u></u>
Attributable to:		
Group's controlling interests	(763,838)	196,169
Group's noncontrolling interests	<u>2,339</u>	<u>27,991</u>
	<u><u>(761,499)</u></u>	<u><u>224,160</u></u>

See accompanying notes.



## Raízen Group

### Combined consolidated statements of changes in equity Three-month periods ended June 30, 2020 In thousands of Reais – R\$

	<b>Attributable to the Group shareholders</b>	<b>Noncontrolling interests</b>	<b>Total equity (*)</b>
Balances at March 31, 2020	11,364,386	365,717	11,730,103
Comprehensive income (loss) for the period			
Loss for the period	(414,770)	2,339	(412,431)
Net loss on financial instruments designated as hedge accounting	(552,478)	-	(552,478)
Foreign currency translation effects	203,410	-	203,410
Total comprehensive income (loss) for the period	(763,838)	2,339	(761,499)
Distributions to the Group shareholders			
Dividends and interest on equity (“IOE”) (Note 22.b)	(37,000)	-	(37,000)
Total distributions to the Group shareholders	(37,000)	-	(37,000)
Balances at June 30, 2020	10,563,548	368,056	10,931,604

(\*) As disclosed in Note 1.d, the combined consolidated companies are not operated as a single legal entity.

	<b>Attributable to controlling interests</b>	<b>Noncontrolling interests</b>	<b>Total equity (*)</b>
Balances at March 31, 2019	11,115,876	276,128	11,392,004
Comprehensive income (loss) for the period			
Net income for the period	184,728	27,991	212,719
Net gain on financial instruments designated as hedge accounting	53,870	-	53,870
Gain (losses) on hedge of net investment in a foreign operation	2,045	-	2,045
Foreign currency translation effects	(44,474)	-	(44,474)
Total comprehensive income (loss) for the period	196,169	27,991	224,160
Distributions to the Group’s shareholders			
Dividends and IOE	(941,701)	-	(941,701)
Taxation on transactions between shareholders	(7,334)	-	(7,334)
Total distributions to the Group shareholders	(949,035)	-	(949,035)
Balances at June 30, 2019	10,363,010	304,119	10,667,129

(\*) As disclosed in Note 1.d, the combined consolidated companies are not operated as a single legal entity.

See accompanying notes.

# Raízen Group

## Combined consolidated statements of cash flows – Indirect method Three-month periods ended June 30, 2020 and 2019 In thousands of Reais - R\$

	Apr- Jun/20	Apr- Jun/19
Cash flow from operating activities		
(Loss) income before income and social contribution taxes	(579,442)	320,192
Adjustments to:		
Depreciation and amortization (Note 24)	843,428	765,356
Amortization of assets from contracts with customers (Notes 12 and 23)	111,681	118,327
Net gain arising from changes in fair value and realized gain or loss on biological assets (Note 24)	(191,964)	(86,506)
Equity pickup (Note 13)	82,240	8,947
Gains on disposal of PPE (Note 25)	(2,085)	(33,651)
Interest and monetary and exchange differences, net	1,019,092	120,313
Changes in fair value of financial instruments payable (Notes 18 and 26)	181,040	266,626
Gains on derivative instruments, net	(658,946)	(40,860)
Changes in fair value of inventories - fair value hedge (Notes 7 and 27.e)	(311,199)	(3,131)
Recognition of tax credits and others, net (Note 25)	(21,418)	(45,197)
Other	(10,590)	14,457
Changes in assets and liabilities		
Trade accounts receivable and advances from customers	1,186,669	146,737
Inventories	(496,160)	(1,297,408)
Restricted cash	(394,267)	69,607
Payment of assets from contracts with customers	(245,836)	(153,927)
Derivative financial instruments	(610,782)	(7,310)
Other financial assets	(135)	7,303
Related parties	(445,754)	309,234
Trade accounts payable and advances to suppliers	(2,310,658)	(11,479)
Taxes recoverable and payable, net	(63,425)	(326,202)
Wages and salaries payable	118,129	112,004
Other assets and liabilities, net	(218,185)	(74,040)
Payment of income and social contribution taxes on net income	(43,680)	(26,335)
Net cash (used in) from operating activities	<u>(3,062,247)</u>	<u>153,057</u>
Cash flow from investing activities		
Payments for business acquisitions	-	(315,276)
Additions to investment (Note 13.b)	(15,244)	-
Cash received upon disposal of equity interest	14,456	-
Investments in marketable securities, net	(283)	(234,193)
Additions to PPE and intangible assets (Notes 14, 15 and 29)	(488,251)	(643,701)
Additions to biological assets (Notes 8 and 29)	(196,294)	(187,844)
Cash from disposal of property, plant and equipment	15,131	64,068
Net cash used in investing activities	<u>(670,485)</u>	<u>(1,316,946)</u>
Cash flow from financing activities		
Loans and financing taken out - third parties	1,836,605	1,290,355
Repayment of principal of loans and financing - third parties	(357,615)	(243,800)
Interest paid on loans and financing – third parties	(200,928)	(202,133)
Payment of lease liabilities – third parties	(403,053)	(272,746)
Payment of lease liabilities – intragroup	(40,694)	(33,697)
Redemption of short-term investments subject to financing, net	63	182
Payment of dividends and IOE	-	(922,350)
Related parties and other	-	(2,968)
Net cash from (used in) financing activities	<u>834,378</u>	<u>(387,157)</u>
Decrease in cash and cash equivalents	(2,898,354)	(1,551,046)
Cash and cash equivalents at beginning of period (Note 3)	8,601,660	5,740,037
Foreign exchange effect on cash and cash equivalents	221,235	(51,634)
Cash and cash equivalents at end of period (Note 3)	<u>5,924,541</u>	<u>4,137,357</u>

Supplementary information on cash flow is stated in Note 29.

See accompanying notes.

## Raízen Group

Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of reais – R\$, unless otherwise stated

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### 1. Operations

The activities of Raízen Group (the “Group”) comprise substantially the following operations and companies:

#### (a) Raízen Energia S.A. and its subsidiaries (“Raízen Energia” or “RESA”):

RESA is a publicly-held corporation registered with the Brazilian Securities and Exchange Commission (“CVM”) in Category B, with head office at Avenida Brigadeiro Faria Lima, 4.100, 11º floor, Part V, Itaim Bibi, in the city and state of São Paulo, Brazil. RESA is a subsidiary indirectly and jointly controlled by Royal Dutch Shell (“Shell”) and Cosan Limited (“Cosan”) and was incorporated on June 1, 2011.

RESA and its subsidiaries are primarily engaged in the production, trading and sale of sugar, ethanol and pellets, including abroad through subsidiaries Raízen Trading LLP and Raízen International Universal Corporation, as well as in the co-generation of power produced from sugarcane bagasse at its 26 mills located in Brazil’s Mid-South Region and electric power trading business.

The planting of sugarcane requires a period from 12 to 18 months for maturation and the beginning of harvest usually occurs between April and May every year and ends between November and December, period when sugar and ethanol are produced. The sale of production takes place throughout the year and does not suffer changes due to seasonality, only changes in the regular market supply and demand. Due to its production cycle, the fiscal year of RESA, as well as that of Raízen Combustíveis S.A. and, consequently, of Raízen Group, begins on April 1 and ends on March 31 of each year.

#### (b) Raízen Combustíveis S.A. and its subsidiaries (“Raízen Combustíveis” or “RCSA”):

RCSA is a privately-held corporation headquartered at Avenida Almirante Barroso, 81, 36º andar, sala 36A104, in the city and state of Rio de Janeiro, Brazil. RCSA is jointly controlled indirectly by Shell and Cosan.

RCSA’s main activities are: (i) distribution and sale of petroleum and ethanol by-products, and of other liquid hydrocarbons and their by-products, under the brand Shell; (ii) import and export of the above-mentioned products; (iii) petroleum refining and manufacture and sale of automotive and industrial lubricants through its Argentine subsidiaries; and (iv) holding interest in other companies.

#### (c) Covid-19

As disclosed in the annual financial statements at March 31, 2020, the Group has implemented a contingency plan aimed at preserving the health and integrity of its employees, in addition to ensuring the Group’s safety and continuity, as its products and services are considered essential activities, since they are strategic inputs for hospitals, security, and food and power segment.

In the three-month period ended June 30, 2020, the Group recorded a decrease in the sales of its products, as well as price reduction impacts, mainly in April 2020. In that period, gross profit was below those recorded in the last periods. The financial impacts arising from Covid-19 are reflected in the referred to financial statements. However, the extent to which the Covid-19 pandemic may still affect the Group’s operating income (loss), financial condition and cash flows will depend on future developments, which are highly uncertain and may not be predicted at the time of disclosure of this interim financial information.

Based on information available up to the issue date of this interim financial information, given the increase in prices from the second half of May 2020, mainly for ethanol in Brazil, and the measures for easing social isolation, no additional provisions were recorded for future losses as a result of Covid-19.

## **Raízen Group**

**Notes to combined consolidated and condensed interim financial information as at June 30, 2020**

**In thousands of reais – R\$, unless otherwise stated**

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### **(d) Other information**

Currently, the synergy between RESA and RCSA gives the Raízen Group a unique position in the Brazilian market. The two companies complement each other, thus presenting the combined consolidated business is currently fundamental for the market to view Raízen Group as a whole.

Although they are not organized as a group under Article 265 of the Brazilian Corporation Law (“LSA”), the Raízen Group companies present this combined consolidated and condensed interim financial information in order to present information that best reflects the gross cash from its operating activities.

The combined consolidated interim financial information of Raízen Group is presented exclusively with the purpose of providing, through a single set of financial statements, information relating to all activities of Raízen Group, regardless of its corporate structure.

Therefore, this combined consolidated and condensed interim financial information does not represent the individual or consolidated financial statements of an entity and its subsidiaries and should not be considered for purposes of calculating dividends, taxes or for other corporate purposes, nor can it be used as an indication of the financial performance that could be obtained if the entities considered in the combination had operated as a single independent entity or as an indication of the profit or loss from these entities’ operations for any year in the future.

## **2. Presentation of combined consolidated and condensed interim financial information and significant accounting policies**

### **2.1. Basis of preparation**

The combined consolidated and condensed interim financial statements have been prepared in accordance with accounting pronouncement CPC 21 (R1) – Interim Financial Reporting and international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

This combined consolidated and condensed interim financial information have been prepared following the basis of preparation and accounting policies consistent with those adopted in preparing the annual financial statements at March 31, 2020 and should be read in conjunction with those financial statements. The explanatory note information that did not suffer material changes compared with March 31, 2020 is not fully disclosed in this combined consolidated and condensed interim financial information. Certain selected information has been included to explain significant events and transactions that have occurred to enable the understanding of changes in the Group’s financial position and financial performance since the publication of the annual financial statements at March 31, 2020.

This combined consolidated and condensed interim financial information are presented in Brazilian reais, the Group’s functional currency. The functional currency of subsidiaries operating in the international economic environment is the U.S. dollar. All balances were rounded to the nearest thousand, unless otherwise stated. The financial information of each subsidiary included in the Group’s consolidation, as well as that used as a basis for investments measured by the equity method, is prepared based on the functional currency of each entity.

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of reais – R\$, unless otherwise stated

In preparing this combined consolidated and condensed interim financial information, management used judgments and estimates and adopted assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. These estimates and assumptions are reviewed on a continuous basis and have not undergone material changes in preparing this combined consolidated and condensed interim financial information in relation to the annual financial statements at March 31, 2020.

The Group management confirms that all significant information specific to the quarterly information, and only such information, is being evidenced, and corresponds to that used by it in its management.

The issue of the combined consolidated and condensed interim financial information of Raízen Group was authorized by management on August 10, 2020.

#### 2.2. Combination criteria

This combined consolidated and condensed interim financial information covers the following companies:

- Raízen Energia S.A. and its subsidiaries
- Raízen Combustíveis S.A. and its subsidiaries

In the combination, the balances receivable and payable, revenues, expenses and unrealized profits arising from transactions between those companies, where applicable, were eliminated.

The breakdown of assets and equity for the period ended June 30, 2020 and year ended March 31, 2020, and profit or loss and other comprehensive income (loss) of the companies for the three-month periods ended June 30, 2020 and 2019, which are part of the combined consolidated and condensed interim financial information and the respective consolidated combined balances, eliminating related party transactions, are presented below:

	<b>Total assets</b>		<b>Total equity</b>	
	<b>06.30.2020</b>	<b>03.31.2020</b>	<b>06.30.2020</b>	<b>03.31.2020</b>
Raízen Energia S.A. and its subsidiaries	43,382,101	44,900,004	6,977,518	7,588,177
Raízen Combustíveis S.A. and its subsidiaries	28,154,000	29,179,467	3,952,436	4,153,554
	<u>71,536,101</u>	<u>74,079,471</u>	<u>10,929,954</u>	<u>11,741,731</u>
Elimination of sales transactions, unrealized profits and financial transactions	(7,228,706)	(8,480,103)	1,650	(11,628)
Combined consolidated balances	<u>64,307,395</u>	<u>65,599,368</u>	<u>10,931,604</u>	<u>11,730,103</u>
	<b>Net income (loss)</b>		<b>Other comprehensive income</b>	
	<b>Apr- Jun/20</b>	<b>Apr- Jun/19</b>	<b>Apr- Jun/20</b>	<b>Apr- Jun/19</b>
Raízen Energia S.A. and its subsidiaries	(100,846)	(99,370)	(610,659)	(18,194)
Raízen Combustíveis S.A. and its subsidiaries	(333,190)	291,041	(164,119)	233,417
	<u>(434,036)</u>	<u>191,671</u>	<u>(774,778)</u>	<u>215,223</u>
Elimination of sales transactions, unrealized profits and financial transactions	21,605	21,048	13,279	8,937
Combined consolidated profit or loss	<u>(412,431)</u>	<u>212,719</u>	<u>(761,499)</u>	<u>224,160</u>

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of reais – R\$, unless otherwise stated

The combined consolidated and condensed interim financial information is a single set of financial statements from two or more entities that are under common shared control. RESA and RCSA used the definition of control in line with CPC 36 and IFRS 10 - Consolidated Financial Statements, both for evaluation of the existence of common shared control and for the consolidation procedure.

### 2.3. Basis of consolidation

At June 30 and March 31, 2020, combined consolidated and condensed interim financial information includes information from RESA and its subsidiaries, RCSA and its subsidiaries and exclusive investment funds. Direct subsidiaries of RCSA and RESA and the investment funds are listed below:

RESA's subsidiaries	Direct and indirect interest	
	06.30.2020	03.31.2020
Agrícola Ponte Alta Ltda.	100%	100%
Benálcool Açúcar e Álcool Ltda.	100%	100%
Bioenergia Araraquara Ltda.	100%	100%
Bioenergia Barra Ltda.	100%	100%
Bioenergia Caarapó Ltda.	100%	100%
Bioenergia Costa Pinto Ltda.	100%	100%
Bioenergia Gasa Ltda.	100%	100%
Bioenergia Jataí Ltda.	100%	100%
Bioenergia Maracá Ltda.	100%	100%
Bioenergia Rafard Ltda.	100%	100%
Bioenergia Serra Ltda.	100%	100%
Bioenergia Tarumã Ltda.	100%	100%
Bioenergia Univalem Ltda.	100%	100%
Raízen Araraquara Açúcar e Álcool Ltda.	100%	100%
Raízen Ásia PT Ltd.	100%	100%
RZ Agrícola Caarapó Ltda.	100%	100%
Raízen Biogás SPE Ltda.	100%	100%
Raízen Biotecnologia S.A.	100%	100%
Raízen Biomassa S.A.	82%	82%
Raízen Caarapó Açúcar e Álcool Ltda.	100%	100%
Raízen Centroeste Açúcar e Álcool Ltda.	100%	100%
Raízen GD Ltda.	100%	100%
Raízen Energy Finance Ltd.	100%	100%
Raízen Fuels Finance S.A.	100%	100%
Raízen-Geo Biogás S.A.	85%	85%
Raízen International Universal Corp.	100%	100%
Raízen North América, Inc.	100%	100%
Raízen Paraguacú Ltda.	100%	100%
Raízen Trading LLP.	100%	100%
Raízen Trading Colombia S.A.S.	100%	-
RWXE Participações S.A.	70%	70%
São Joaquim Arrendamentos Agrícolas Ltda.	100%	100%
Unimodal Ltda.	73%	73%
WX Energy Comercializadora de Energia Ltda.	70%	70%
RCSA's subsidiaries	Direct and indirect interest	
	06.30.2020	03.31.2020
Blueway Trading Importação e Exportação Ltda.	100%	100%
Petróleo Sabbá S.A.	80%	80%
Raízen Argentina S.A (1)	100%	100%
Raízen Energina S.A. (1)	100%	100%
Deheza S.A. (1)	100%	100%
Estación Lima S.A. (1)	100%	100%
Raízen S.A.	100%	100%
Raízen Mime Combustíveis S.A.	76%	76%
Sabor Raíz Alimentação S.A.	69%	69%
Saturno Investimentos Imobiliários Ltda.	100%	100%

(1) Jointly called Raízen Argentina and subsidiaries.

Exclusive investment funds ("FI")	Total interest	
	06.30.2020	03.31.2020
FI renda fixa crédito privado RJ – Banco Santander S.A.	100%	100%
FI renda fixa crédito privado RAÍZEN I – Banco BNP PARIBAS BRASIL S.A.	100%	100%

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of reais – R\$, unless otherwise stated

#### 3. Cash and cash equivalents

	Index	Weighted average yield		06.30.2020	03.31.2020
		06.30.2020	03.31.2020		
Funds in bank and in cash				3,345,926	4,325,682
Foreign exchange contracts not yet closed				152,198	1,441,368
Short-term investments:					
Bank Deposit Certificates (CDB) and repurchase agreements	CDI	98.4%	99.4%	1,318,297	2,834,610
Time Deposit (1)	Fixed	0.8%	-	1,108,120	-
				<u>2,426,417</u>	<u>2,834,610</u>
				<u>5,924,541</u>	<u>8,601,660</u>
In Brazil (local currency)				1,474,355	3,071,694
Abroad (foreign currency) (Note 27.d)				<u>4,450,186</u>	<u>5,529,966</u>
				<u>5,924,541</u>	<u>8,601,660</u>

(1) These refer to foreign short-term investments at investment grade banks, through bank deposit, with a fixed term and rate.

#### 4. Marketable securities

	Index	Weighted average yield		06.30.2020	03.31.2020
		06.30.2020	03.31.2020		
Financial treasury bill ("LFT")	Selic	100.0%	100.0%	39,428	39,145
				<u>39,428</u>	<u>39,145</u>

#### 5. Restricted cash

	Index	Weighted average yield		06.30.2020	03.31.2020
		06.30.2020	03.31.2020		
Short-term investments linked to financing	CDI	100.0%	100.0%	50,790	50,460
Short-term investments linked to derivatives transactions (Note 27.g)	CDI	100.4%	101.0%	60,615	33,178
Margin of derivatives transactions (Note 27.d)				<u>508,461</u>	<u>127,432</u>
				<u>619,866</u>	<u>211,070</u>
Domestic (local currency)				111,405	83,638
Abroad (foreign currency) (Note 27.d)				<u>508,461</u>	<u>127,432</u>
				<u>619,866</u>	<u>211,070</u>

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of reais – R\$, unless otherwise stated

#### 6. Trade accounts receivable

	<u>06.30.2020</u>	<u>03.31.2020</u>
Domestic (local currency)	2,062,688	1,963,941
Abroad (foreign currency) (Note 27.d)	783,519	1,007,285
Other accounts receivable (i)	506,529	477,520
Allowance for expected credit losses	<u>(155,454)</u>	<u>(151,409)</u>
	3,197,282	3,297,337
Current	<u>(2,817,117)</u>	<u>(2,950,341)</u>
Noncurrent	<u>380,165</u>	<u>346,996</u>

- (i) Other accounts receivable refer, substantially, to installments of overdue debts and sales of real estate properties, with the main purpose of implementing or modernizing gas stations, through security interest, guarantees and collaterals.

The Group does not have notes given as collateral. The maximum exposure to credit risk at the statement of financial position date is the book value of each class of trade accounts receivable.

The aging list of trade accounts receivable is as follows:

	<u>06.30.2020</u>	<u>03.31.2020</u>
Falling due	2,568,844	2,704,660
Overdue:		
Within 30 days	113,196	223,466
From 31 to 90 days	153,321	74,878
Over 90 days	<u>517,375</u>	<u>445,742</u>
	<u>3,352,736</u>	<u>3,448,746</u>

For long-overdue notes with no allowance for expected credit losses, the Group has security interest, such as mortgages and letters of credit.

The allowance for expected credit losses was calculated based on the credit risk analysis, which includes the history of losses, the individual situation of customers, the situation of the economic group to which the customers belong, the security interest for debts and, where applicable, the assessment of legal advisors.

The allowance for expected credit losses is considered sufficient by management to cover any losses on receivables. Changes in this allowance are as follows:

At March 31, 2020	<u>(151,409)</u>
Expected loss, net	(3,264)
Foreign currency translation effects	<u>(781)</u>
At June 30, 2020	<u><u>(155,454)</u></u>

At June 30, 2020, the Group had R\$1,208,704 (R\$239,546 at March 31, 2020) recorded in current liabilities, under Advances from customers, which refers substantially to amounts received from customers abroad for the purchase of sugar, as well as advance payments made by customers for the purchase of fuel. When applicable, the balances of accounts receivable and advances from customers are presented net.



## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of reais – R\$, unless otherwise stated

#### 7. Inventories

	<u>06.30.2020</u>	<u>03.31.2020</u>
Finished products:		
Ethanol	1,918,835	1,110,969
Sugar	1,146,633	132,233
Diesel (2)	1,373,888	1,164,450
Gasoline (2)	1,078,601	1,313,208
Jet fuel (Jet A-1) (2)	163,430	170,112
Petroleum by-products (1)	208,133	206,585
Petroleum (crude oil)	253,977	411,534
Products in process	248,730	266,702
Storeroom items and other	<u>652,705</u>	<u>659,377</u>
	<u>7,044,932</u>	<u>5,435,170</u>

- (1) Refers substantially to inventories of fuel oil, lubricants and asphalt.
- (2) At June 30, 2020, such inventories include fair value measurement, level 2 hierarchy, as follows:

	<u>Cost value</u>		<u>Fair value</u>		<u>Income statement</u>	
	<u>06.30.2020</u>	<u>03.31.2020</u>	<u>06.30.2020</u>	<u>03.31.2020</u>	<u>Apr-Jun/20</u>	<u>Apr-Jun/19</u>
Finished products:						
Diesel	1,308,118	1,279,831	1,373,888	1,164,450	181,151	(599)
Gasoline	1,035,523	1,394,990	1,078,601	1,313,208	124,860	3,730
Jet (i)	<u>158,242</u>	<u>-</u>	<u>163,430</u>	<u>-</u>	<u>5,188</u>	<u>-</u>
	<u>2,501,883</u>	<u>2,674,821</u>	<u>2,615,919</u>	<u>2,477,658</u>	<u>311,199</u>	<u>3,131</u>

- (i) As of April 1, 2020, RCSA started to designate Jet inventory as fair value hedge.

At June 30, 2020, inventories are stated net of estimated loss with realization, and slow-moving and/or obsolete inventories, amounting R\$30,783 (R\$123,978 at March 31, 2019). Changes in the referred to losses are shown below and were recognized in the statement of profit or loss under Costs of sales and services:

At March 31, 2020	<u>(123,978)</u>
Estimated loss	(4,949)
Reversal and write-off	100,784
Foreign currency translation effects	(2,640)
At June 30, 2020	<u>(30,783)</u>

#### 8. Biological assets

The Group's biological assets comprise unharvested cane cultivated in sugarcane crops, which will be used as a raw material source in the production of sugar, ethanol and bioenergy upon harvesting. The fair value measurement method is the cash flow discounted to present value. The valuation model considers the present value of expected cash flows to be generated, including projections of up to two years, considering the estimates of the effective date for cutting the unharvested cane.

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

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Planted areas represent only sugarcane crops, not considering the land where the crops are located, which are recognized under Property, plant and equipment.

The following significant assumptions were used in determining the fair value:

	<u>06.30.2020</u>	<u>03.31.2020</u>
Harvest estimated area (hectare)	467,711	436,663
Number of TRS per hectare	10.13	10.38
Projected average TRS price per kg (R\$/kg)	0.68	0.61

At June 30, 2020, cash flows were discounted at 5.26% (5.30% at March 31, 2020) which is the WACC (Weighted Average Cost of Capital) of the Group.

The Group periodically reviews assumptions used to calculate biological assets, adjusting them in case there are significant changes in relation to those previously projected.

Changes in biological assets (sugarcane) are as follows:

At March 31, 2020	<u>897,315</u>
Additions to sugarcane treatments	202,600
Absorption of harvested sugarcane costs	(254,882)
Change in fair value	193,673
Fair value realization	(1,709)
Other	<u>(1,016)</u>
At June 30, 2020	<u><u>1,035,981</u></u>

## 9. Taxes recoverable

	<u>06.30.2020</u>	<u>03.31.2020</u>
State Value-Added Tax (ICMS)	1,410,268	1,301,528
Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS)	1,387,478	1,156,003
Value-added tax	571,667	653,262
Other	166,853	220,622
Estimated loss on realization of taxes	<u>(28,998)</u>	<u>(28,998)</u>
	3,507,268	3,302,417
Current	<u>(2,464,193)</u>	<u>(2,334,998)</u>
Noncurrent	<u><u>1,043,075</u></u>	<u><u>967,419</u></u>

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of reais – R\$, unless otherwise stated

#### 10. Other financial assets

	<u>06.30.2020</u>	<u>03.31.2020</u>
Credits from claims for damages - refundable	99,204	97,852
Credits from claims for damages - own	177,629	177,629
National Treasury Notes (CTN)	314,013	297,459
Other	<u>1</u>	<u>101</u>
	590,847	573,041
Current	<u>(296,599)</u>	<u>(314,273)</u>
Noncurrent	<u>294,248</u>	<u>258,768</u>

The characteristics of other financial assets are the same as those disclosed in the annual financial statements at March 31, 2020 (Note 10). There were no changes in the procedures for recognition, measurement and accounting records, as well as no significant changes in the credit risk of counterparties involved in the balances.

#### 11. Related parties

##### (a) Summary of balances with related parties

	<u>06.30.2020</u>	<u>03.31.2020</u>
<b>Assets</b>		
<b>Assets classified by currency:</b>		
In Brazil (local currency)	1,994,833	1,867,202
Abroad (foreign currency) (Note 27.d)	<u>93,055</u>	<u>185,541</u>
	<u>2,087,888</u>	<u>2,052,743</u>
<b>Framework agreement (1)</b>		
Shell Brazil Holding B.V.	929,467	895,150
Cosan S.A.	679,692	637,517
Shell Brasil Petróleo Ltda.	56,482	63,607
Other	<u>12,897</u>	<u>11,042</u>
	1,678,538	1,607,316
<b>Commercial and administrative operations (2)</b>		
Rumo Group	119,959	112,529
Shell Group	94,763	213,040
Agroterenas S.A.	67,430	36,210
Nova América Agrícola Ltda	45,316	9,000
Agricopel Group	27,404	12,715
Comgás - Companhia de Gás de São Paulo	22,688	18,213
Cosan S.A. Indústria e Comércio	16,559	16,126
Other	<u>15,231</u>	<u>27,594</u>
	409,350	445,427
	<u>2,087,888</u>	<u>2,052,743</u>
Current assets	<u>(761,014)</u>	<u>(787,819)</u>
Noncurrent assets	<u>1,326,874</u>	<u>1,264,924</u>

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of reais – R\$, unless otherwise stated

	<u>06.30.2020</u>	<u>03.31.2020</u>
<b>Liabilities</b>		
<b>Liabilities classified by currency:</b>		
In Brazil (local currency)	1,830,699	1,777,582
Abroad (foreign currency) (Note 27.d)	<u>490,946</u>	<u>757,719</u>
	<u>2,321,645</u>	<u>2,535,301</u>
<b>Framework agreement (1)</b>		
Cosan S.A.	535,593	530,472
Shell Brasil Petróleo Ltda.	142,847	137,269
Shell Brazil Holding B.V.	59,127	58,922
Other	<u>15,956</u>	<u>13,759</u>
	753,523	740,422
<b>Financial operations</b>		
Shell Finance (Netherlands) B.V.	783	3,354
Cosan S.A.	665	2,851
Sapore S.A.	<u>5</u>	<u>5</u>
	1,453	6,210
<b>Commercial and administrative operations (2)</b>		
Shell Group	494,736	745,279
Agroterenas S.A.	66,566	34,217
Rumo Group	28,572	40,399
Nova América Agrícola Ltda.	25,179	14,789
Other	<u>35,776</u>	<u>43,347</u>
	650,829	878,031
<b>Preferred shares (3)</b>		
Shell Brazil Holding B.V.	167,111	166,329
Cosan S.A.	<u>3,745</u>	<u>3,745</u>
	170,856	170,074
<b>Lease liabilities (4)</b>		
Radar Propriedades Agrícolas S.A.	150,340	146,736
Aguassanta Agrícola S.A.	151,191	143,546
Nova Agrícola Ponte Alta S.A.	109,911	108,040
Nova Amaralina S/A Propriedades Agrícolas	56,696	55,805
Jatobá Propriedades Agrícolas Ltda.	66,751	65,563
Terrainvest Propriedades Agrícolas S.A.	53,017	52,932
Other	<u>157,078</u>	<u>167,942</u>
	744,984	740,564
	<u>2,321,645</u>	<u>2,535,301</u>
Current liabilities	<u>(1,252,495)</u>	<u>(1,494,946)</u>
Noncurrent liabilities	<u>1,069,150</u>	<u>1,040,355</u>

#### (1) **Framework agreement**

The amounts recorded in assets and liabilities refer to recoverable or refundable balances of Raízen's shareholders as they relate to the period prior to the organization of Raízen.

#### (2) **Commercial and administrative operations**

At June 30 and March 31, 2020, the amount recorded in assets refers to operations involving sale of products, such as gasoline, diesel, Jet, sugar and ethanol.

At June 30 and March 31, 2020, the amount recorded in liabilities refers substantially to operations involving purchase of products and provision of services (freight and storage).

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of reais – R\$, unless otherwise stated

#### (3) Preferred shares

These arise substantially from tax benefits to be reimbursed to Shell and Cosan, when effectively used by the Group, determined by the balances of income and social contribution tax losses (“NOL”) and tax benefit on amortization of goodwill (“GW”) arising from years prior to the organization of the Raízen Group. Payment will be made through the distribution of exclusive dividends and/or capital reduction to holders of class B and E preferred shares (financial instrument payable).

#### (4) Lease liabilities

At June 30, 2020, changes in lease liabilities are as follows:

Balances at March 31, 2020	740,564
Payments	(40,694)
Interest	16,340
Remeasurements (1)	28,774
Balances at June 30, 2020	744,984
Current	(158,908)
Noncurrent	586,076

(1) Updating of the index, substantially composed of the variation in the price of CONSECANA applied to lease and sharecropping agreements.

#### (b) Summary of transactions with related parties (12)

	<u>Apr- Jun/20</u>	<u>Apr- Jun/19</u>
<b>Sale of products</b>		
Raízen and Wilmar Sugar Pte. Ltd.	-	135,834
Rumo Group (6)	250,514	300,017
Agricopel Group (10)	146,756	209,751
Shell Group (11)	224,371	441,726
Other	20,001	19,834
	641,642	1,107,162
<b>Purchase of goods and services (5)</b>		
Shell Group (11)	(763,808)	(1,131,088)
Rumo Group (6)	(79,249)	(106,144)
Agroterenas S.A.	(109,436)	(85,990)
Nova América Agrícola Ltda.	(43,832)	(36,164)
Nova América Terras Ltda.	(3,868)	-
Nova América Agrícola Caarapó Ltda.	-	(37,455)
Agricopel Group (10)	(34,515)	(23,999)
Other	(34,424)	(36,831)
	(1,069,132)	(1,457,671)
<b>Reimbursement of shared expenses (1)</b>		
Comgás - Companhia de Gás de São Paulo	9,026	7,199
Rumo Group (6)	8,346	7,875
Cosan Lubrificantes e Especialidades S.A.	1,883	1,776
Other	2,373	1,995
	21,628	18,845

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of reais – R\$, unless otherwise stated

	<u>Apr- Jun/20</u>	<u>Apr- Jun/19</u>
<b>Financial income (cost) (2)</b>		
Cosan S.A.	(1,946)	24,346
Shell Group (11)	7,816	(916)
Radar Group (7)	(8,119)	-
SOI and DPM	-	(16,259)
Other	(7,869)	1,141
	<u>(10,118)</u>	<u>8,312</u>
<b>Service revenue (3)</b>		
Shell Group (11)	-	721
Agricopel Group (10)	32	765
Other	35	3
	<u>67</u>	<u>1,489</u>
<b>Services expenses (4)</b>		
Shell Group (11)	(7,725)	(7,177)
Other	(4)	-
	<u>(7,729)</u>	<u>(7,177)</u>

- (1) Refers to expenses with shared corporate, management and operating costs reimbursed by related parties.
- (2) Refers substantially to expenses with commissions on lines of credit available and restatement of balances of advances granted to finance sugarcane crops, as well as the exchange difference of commercial operations resulting from import and sale of fuel and interest, exchange difference and adjustment to present value on the balance payable to SOI and DPM for acquisition of Raízen Argentina.
- (3) Refer substantially to the lubricant sales commission to Shell and expenses with the sharing of corporate, management and operating costs reimbursed by its subsidiaries.
- (4) Expenses with technical support, maintenance of the billing and collection process, commissions on the sale of jet and secondeds to Shell.
- (5) The Group's purchase transactions with Shell Trading US Company are represented substantially by import of ethanol and by-products in the foreign market.
- (6) "Rumo Group" refers to the railway and port operations represented by the following companies: Rumo S.A., Elevações Portuárias S.A., Logisport Armazéns Gerais S.A., Rumo Malha Sul S.A., Rumo Malha Oeste S.A., Rumo Malha Paulista S.A., Rumo Malha Norte S.A., ALL América Latina Logística Rail Management, Portofer Transporte Ferroviário Ltda. and Brado Logística S.A.
- (7) "Radar Group" refers to the purchase, sale and lease of own properties, represented mainly by the following companies: Radar Propriedades Agrícolas S.A. Nova Agrícola Ponte Alta S.A. Nova Amaralina S.A. Bioinvestments Negócios e Participações S.A. and Proud Participações S.A.
- (8) "Tellus Group" refers to the purchase, sale and lease of own properties, represented mainly by the following companies: Tellus Brasil Participações S.A. Terrainvest Propriedades Agrícolas S.A. and Agrobio Investimentos e Participações S.A.
- (9) "Aguassanta Group" refers to the purchase, sale and lease of own properties, represented mainly by the following companies: Aguassanta Participações S.A. Santa Bárbara Agrícola S.A. Aguassanta Agrícola Ltda. Aguapar Agrícola Ltda. and Palermo Agrícola S.A.
- (10) "Agricopel Group" refers to sales of fuel, represented mainly by the following companies: Agricopel Comércio de Derivados de Petróleo Ltda. and Posto Agricopel Ltda. Agricopel Diesel Paraná Ltda, Blue Adm Administração de Bens Ltda., a related party through FIX Investimentos Ltda., which is a noncontrolling shareholder of Mime.
- (11) "Shell Group" refers mainly to the commercial operations conducted by Shell Aviation Limited and Shell Trading US Company.
- (12) Transactions with related parties are entered into under reasonable and cumulative conditions, in line with those prevailing in the market or that the Group would take out with third parties.

#### (c) Officers and members of the Board of Directors

Fixed and variable compensation to key management personnel, including statutory officers and members of the Board of Directors, recognized in income statement of the three-month periods ended June 30, 2020 and 2019, is as follows:

	<u>Apr- Jun/20</u>	<u>Apr- Jun/19</u>
Regular compensation	(14,479)	(13,286)
Bonuses and other variable compensation	(6,271)	(10,664)
Total compensation	<u>(20,750)</u>	<u>(23,950)</u>

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

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#### (d) Other significant information involving related parties

##### Revolving Credit Facility

The Group has a line of credit agreement totaling US\$700,000 thousand, which was not used until the closing of this combined consolidated and condensed interim financial information, as follows:

<u>Beneficiary</u>	<u>Institution</u>	<u>Amount in US\$</u>	<u>Maturity</u>
RCSA	Shell Finance (Netherlands) B.V. and Cosan S.A.	700,000	May/2025

#### 12. Assets from contracts with customers

Assets from contracts with customers correspond to the bonuses granted to RCSA customers and are subject to deadlines and performance obligations, particularly the use of the quantities provided for in supply contracts. As the contractual conditions are met, bonuses are amortized and recognized in the statement of profit or loss, under Net operating revenue (Note 23).

Balances at March 31, 2020	2,567,165
Additions	176,858
Amortization	(111,681)
Foreign currency translation effects	3,712
Balances at June 30, 2020	<u>2,636,054</u>
Current	<u>(471,964)</u>
Noncurrent	<u>2,164,090</u>

#### 13. Investments

	<u>Investments (1)</u>				<u>Equity pickup</u>		
	<u>Country</u>	<u>Business activity</u>	<u>Equity interest</u>	<u>06.30.2020</u>	<u>03.31.2020</u>	<u>Apr- Jun/20</u>	<u>Apr- Jun/19</u>
<u>Book value</u>							
<u>Joint ventures</u>							
Rede Integrada de Lojas de Conveniência e Proximidade S.A. ("Rede")	Brazil	Convenience and proximity stores	50.00%	198,772	194,413	4,359	-
Raízen and Wilmar Sugar Pte. Ltd.	Singapore	Trading	50.00%	50,585	47,924	184	2,888
<u>Associates</u>							
Centro de Tecnologia Canavieiras S.A.	Brazil	R&D	19.58%	119,419	123,556	(4,088)	(1,418)
Logum Logística S.A.	Brazil	Logistics	30.00%	254,474	309,550	(68,275)	(9,005)
Uniduto Logística S.A.	Brazil	Logistics	46.48%	39,444	47,550	(10,580)	(1,412)
Termap S.A.	Argentina	Sea terminal	3.50%	379	360	-	-
Latitude Logística Portuária S.A.	Brazil	Port operation	50.00%	4,384	4,384	-	-
Navegantes Logística Portuária S.A.	Brazil	Port operation	33,33%	8,548	8,548	-	-
Nordeste Logística I S.A.	Brazil	Port operation	33,33%	180	180	-	-
Nordeste Logística II S.A.	Brazil	Port operation	33,33%	2,433	2,433	-	-
Nordeste Logística III S.A.	Brazil	Port operation	33,33%	2,329	2,329	-	-
				<u>680,947</u>	<u>741,227</u>	<u>(78,400)</u>	<u>(8,947)</u>
<u>Gains on assets, net contributed</u>							
Rede				522,521	526,361	(3,840)	-
<u>Goodwill on investment (2)</u>							
Uniduto Logística S.A.				5,676	5,676	-	-
Centro de Tecnologia Canavieira S.A.				51,946	51,946	-	-
				<u>57,622</u>	<u>57,622</u>	<u>-</u>	<u>-</u>
Total investment				<u>1,261,090</u>	<u>1,325,210</u>	<u>(82,240)</u>	<u>(8,947)</u>

(1) Investments measured by the equity method; and

(2) Goodwill on acquisition of shares and transfer of shares.

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of reais – R\$, unless otherwise stated

Changes in investments in joint ventures and associates are as follows:

Balance at March 31, 2020	1,325,210
Equity pickup	(82,240)
Additions (Note 13.b)	15,244
Foreign currency translation effects and other	2,876
Balance at June 30, 2020	1,261,090

(a) **Summarized financial information of investments, considering equity pickup adjustments, when applicable**

• At June 30, 2020

	<b>Logum Logística S.A. (1)/(2)</b>	<b>Uniduto Logística Ltda. (1)/(2)</b>	<b>Centro de Tecnologia Canavieira S.A. (2)/(4)</b>	<b>Iogen Energy Corporation (3)</b>	<b>Raízen and Wilmar Sugar PTE Ltd. (4)</b>
Assets	2,554,724	84,857	796,865	44,816	133,105
Liabilities	(1,706,476)	(8)	(186,965)	(409,964)	(31,938)
Equity	<u>848,248</u>	<u>84,849</u>	<u>609,900</u>	<u>(365,148)</u>	<u>101,167</u>
Period ended June 30, 2020					
Net operating revenue	40,163	-	43,043	-	16,229
Net income (loss)	(227,584)	(22,762)	(16,177)	(879)	238
Period ended June 30, 2019					
Net operating revenue	33,608	-	31,911	-	20,411
Net income (loss)	(30,302)	(3,037)	3,917	(448)	5,730

• At March 31, 2020

	<b>Logum Logística S.A. (1)/(2)</b>	<b>Uniduto Logística Ltda. (1)/(2)</b>	<b>Centro de Tecnologia Canavieira S.A. (2)/(4)</b>	<b>Iogen Energy Corporation (3)</b>	<b>Raízen and Wilmar Sugar PTE Ltd. (4)</b>
Assets	2,355,141	103,219	811,416	59,421	542,186
Liabilities	(1,323,309)	(908)	(180,386)	(536,080)	(446,339)
Equity	<u>1,031,832</u>	<u>102,311</u>	<u>631,030</u>	<u>(476,659)</u>	<u>95,847</u>

(1) The fiscal year of these investees ends at December 31.

(2) Significant influence over these companies has been defined, mainly, based on the Group's right to elect key management personnel and to decide on their significant strategic and operational matters.

(3) Jointly controlled entity in which RESA holds 50% interest in common shares, whose fiscal year ends at August 31. RESA did not set up a provision for estimated loss on equity pickup, since it has no legal or constructive obligations to make payments on account of that company.

(4) The fiscal year of these investees ends at March 31.



## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of reais – R\$, unless otherwise stated

#### (b) Investment transactions in associates for the three-month period ended June 30, 2020

##### (i) Additions to investments

##### Capital increases in Logum Logística S.A. (“Logum”) and Uniduto Logística S.A. (“Uniduto”)

In the three-month period ended June 30, 2020, these companies’ capital increases in the amounts of R\$44,000 and R\$4,400 (Logum and Uniduto, respectively) were resolved, approved and subscribed. The amounts subscribed by RESA totaled R\$15,244, fully paid in through a checking account.

There were no changes in the percentage of interest held in the capital of this investee, since all shareholders made capital contributions at the proportion of their interest previously held.

#### (c) Information selected from joint venture

The table below summarizes the financial information of the jointly controlled subsidiary Rede based on its financial statements, adjusted at fair value on the date the JV was organized and by differences in accounting policies, where applicable. The table also reconciles the summarized financial information with the book value of RCSA’s equity interest held in JV Rede.

	<u>06.30.2020</u>	<u>03.31.2020</u>
Current assets	426,587	417,264
Noncurrent assets	24,167	17,650
Current liabilities	(46,568)	(42,889)
Noncurrent liabilities	(4,553)	(1,431)
Consolidated equity	399,633	390,594
Attributed to controlling interests	(2,090)	(1,769)
Attributed to joint controlling interests	397,543	388,825
RCSA’s interest	50.00%	50.00%
Interest in equity	198,772	194,413
Surplus values and revaluation at fair value	532,762	532,762
Accumulated amortization of surplus values	(10,241)	(6,401)
Surplus values and revaluation, net	522,521	526,361
Book value of equity interest held	<u>721,293</u>	<u>720,774</u>
	<u>Apr-Jun/20</u>	<u>Apr-Jun/19</u>
Net operating revenue	23,413	28,284
Net income for the consolidated period	9,039	14,347
Attributed to controlling interests	(321)	(423)
Attributed to joint controlling interests	8,718	13,924
RCSA’s interest	50.00%	99.99%
Equity pickup	<u>4,359</u>	<u>13,924</u>

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### 14. Property, Plant and Equipment (PPE)

	At March 31, 2020									
	Land and rural properties	Buildings and improvements	Machinery, equipment and facilities	Aircraft, vessels and vehicles	Furniture, fixtures and IT equipment	Construction in progress	Frequently replaced parts and components	Sugarcane planting	Other	Total
Cost:										
At March 31, 2020	1,196,135	3,203,445	13,876,793	787,076	297,991	1,509,723	1,383,205	6,692,234	47,036	28,993,638
Additions	-	2,360	7,804	7	307	222,130	74,369	191,400	11,967	510,344
Write-offs	(1,742)	(1,958)	(51,282)	(20,730)	(17,929)	-	-	(1,594)	-	(95,235)
Reversal of estimated loss, net (Note 25)	-	-	5,405	895	929	-	-	-	-	7,229
Transfers (1)	-	19,294	(42,370)	(10,577)	(1,542)	(84,665)	-	-	(7,463)	(127,323)
Foreign currency translation effects	37,400	40,016	153,698	849	1,087	16,317	-	-	(131)	249,236
At June 30, 2020	1,231,793	3,263,157	13,950,048	757,520	280,843	1,663,505	1,457,574	6,882,040	51,409	29,537,889
Accumulated depreciation:										
At March 31, 2020	-	(680,184)	(5,197,802)	(406,070)	(187,527)	-	(691,829)	(4,633,551)	(36,653)	(11,833,616)
Depreciation for the period	-	(31,551)	(275,423)	(18,096)	(8,245)	-	(255,513)	(181,634)	(1,320)	(771,782)
Write-offs	-	1,928	44,561	16,962	17,160	-	-	-	-	80,611
Transfers (1)	-	14,718	76,348	23,915	4,622	-	-	-	-	119,603
Foreign currency translation effects	-	(4,318)	(26,021)	93	(216)	-	-	-	-	(30,462)
At June 30, 2020	-	(699,407)	(5,378,337)	(383,196)	(174,206)	-	(947,342)	(4,815,185)	(37,973)	(12,435,646)
Net residual value:										
At June 30, 2020	1,231,793	2,563,750	8,571,711	374,324	106,637	1,663,505	510,232	2,066,855	13,436	17,102,243
At March 31, 2020	1,196,135	2,523,261	8,678,991	381,006	110,464	1,509,723	691,376	2,058,683	10,383	17,160,022

(1) Amounts transferred to Intangible assets (software).

(2) This refers substantially to net reversal of provision for estimated loss on inventory recognized in income statement for the period under “Other operating income, net” (Note 25).

#### Capitalization of borrowing costs

In the three-month period ended June 30, 2020, borrowing costs capitalized in the Group totaled R\$7,678 (R\$8,151 at June 30, 2019). The annual weighted average rates of finance charges for certain debts were 4.59% at June 30, 2020 (6.76% at June 30, 2019).

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### Property, plant and equipment given as guarantee

At June 30, 2020, loans and financing are guaranteed by land, buildings and machinery in the amount of R\$444,596 (R\$469,503 at March 31, 2020).

#### 15. Intangible assets

	Software license	Goodwill	Trademarks	Sharecropping agreements	Sugarcane supply agreements	Contractual relations with customers	Exclusive supply rights	Right of use - public concessions	Technology	Granting rights and other	Total
Cost:											
At March 31, 2020	679,157	2,640,213	532,348	18,123	181,516	284,765	216	12,541	185,061	55,408	4,589,348
Additions	8,285	-	-	-	-	-	-	-	-	-	8,285
Transfers (1)	9,117	-	-	-	-	-	-	-	-	-	9,117
Foreign currency translation effects and other	785	-	-	-	-	-	-	-	-	656	1,441
At June 30, 2020	<u>697,344</u>	<u>2,640,213</u>	<u>532,348</u>	<u>18,123</u>	<u>181,516</u>	<u>284,765</u>	<u>216</u>	<u>12,541</u>	<u>185,061</u>	<u>56,064</u>	<u>4,608,191</u>
Amortization:											
At March 31, 2020	(442,442)	(431,380)	(475,459)	(17,856)	(109,393)	(12,002)	(216)	(12,541)	(90,850)	(21,054)	(1,613,193)
Amortization for the period	(19,194)	-	(13,126)	(133)	(2,993)	(442)	-	-	(4,628)	(49)	(40,565)
Transfers (1)	(1,397)	-	-	-	-	-	-	-	-	-	(1,397)
Foreign currency translation effects	(199)	-	-	-	-	-	-	-	-	-	(199)
At June 30, 2020	<u>(463,232)</u>	<u>(431,380)</u>	<u>(488,585)</u>	<u>(17,989)</u>	<u>(112,386)</u>	<u>(12,444)</u>	<u>(216)</u>	<u>(12,541)</u>	<u>(95,478)</u>	<u>(21,103)</u>	<u>(1,655,354)</u>
Net residual value:											
At June 30, 2020	234,112	2,208,833	43,763	134	69,130	272,321	-	-	89,583	34,961	2,952,837
At March 31, 2020	236,715	2,208,833	56,889	267	72,123	272,763	-	-	94,211	34,354	2,976,155

(1) Amounts transferred from Property, plant and equipment.

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

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#### 16. Trade accounts payable

	<u>06.30.2020</u>	<u>03.31.2020</u>
Trade accounts payable - agreement	4,820,140	5,837,811
Suppliers of materials and services	1,652,199	2,938,447
Suppliers of petroleum by-products	734,708	1,029,535
Suppliers of sugarcane	755,621	304,492
Suppliers of ethanol	190,490	116,730
	<u>8,153,158</u>	<u>10,227,015</u>
Domestic (local currency)	5,139,148	4,087,542
Abroad (foreign currency) (Note 27.d)	3,014,010	6,139,473
	<u>8,153,158</u>	<u>10,227,015</u>

The characteristics of trade accounts payable are the same as those disclosed in the annual financial statements at March 31, 2020 (Note 16). There were no changes in the procedures for recognition, measurement and accounting records, as well as no significant changes in the credit risk of counterparties involved in the balances.

#### 17. Leases

##### (a) Right of use

	Land	Properties	Vehicles	Machinery and equipment	Manufacturing facilities	Total
Cost or valuation						
At March 31, 2020	<u>5,057,803</u>	<u>272,679</u>	<u>761,154</u>	<u>123,799</u>	<u>89,352</u>	<u>6,304,787</u>
Additions	89,339	18,064	(46)	103,918	-	211,275
Write-offs	(19,049)	(12,480)	-	-	-	(31,529)
Remeasurements (1)	173,522	1,516	(294)	1,650	-	176,394
Foreign currency translation effects	12,418	3,367	27,784	-	-	43,569
At June 30, 2020	<u>5,314,033</u>	<u>283,146</u>	<u>788,598</u>	<u>229,367</u>	<u>89,352</u>	<u>6,704,496</u>
Amortization:						
At March 31, 2020	<u>(827,819)</u>	<u>(99,297)</u>	<u>(228,916)</u>	<u>(43,527)</u>	<u>(5,832)</u>	<u>(1,205,391)</u>
Amortization for the period	(351,040)	(30,484)	(62,395)	(16,773)	(1,489)	(462,181)
Write-offs	-	7,025	-	-	-	7,025
Foreign currency translation effects	(1,443)	(2,729)	(10,137)	-	-	(14,309)
At June 30, 2020	<u>(1,180,302)</u>	<u>(125,485)</u>	<u>(301,448)</u>	<u>(60,300)</u>	<u>(7,321)</u>	<u>(1,674,856)</u>
Net residual value:						
At June 30, 2020	<u>4,133,731</u>	<u>157,661</u>	<u>487,150</u>	<u>169,067</u>	<u>82,031</u>	<u>5,029,640</u>
At March 31, 2020	<u>4,229,984</u>	<u>173,382</u>	<u>532,238</u>	<u>80,272</u>	<u>83,520</u>	<u>5,099,396</u>

(1) Updating of the index, substantially composed of the variation in the price of CONSECANA applied to lease and sharecropping agreements.

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### (b) Lease liabilities

At June 30, 2020, lease liabilities are as follows:

At March 31, 2020	4,411,748
Additions	211,517
Write-offs	(25,191)
Payment	(403,053)
Interest	88,616
Transfers	(29,328)
Remeasurements (1)	147,297
Foreign currency translation effects	26,918
At June 30, 2020	<u>4,428,524</u>
In Brazil (local currency)	3,934,398
Abroad (foreign currency) (Note 27.d)	494,126
	<u>4,428,524</u>
Current	(1,002,191)
Noncurrent	<u>3,426,333</u>

(1) Updating of the index, substantially composed of the variation in the price of CONSECANA applied to lease and sharecropping agreements.

The weighted average incremental borrowing rate applied to the Group's lease liabilities at June 30, 2020 was 8.3% per annum.

At June 30, 2020, the aging list of lease liabilities of third parties and related parties (Note 11.a.5) is as follows:

<u>Periods:</u>	<u>Present value</u>	<u>Future value</u>
1 to 12 months	1,161,099	1,491,294
13 to 24 months	870,675	1,256,317
25 to 36 months	765,428	1,003,103
37 to 48 months	600,439	778,438
49 to 60 months	434,241	569,385
61 to 72 months	332,419	435,532
73 to 84 months	265,555	343,037
85 to 96 months	185,868	243,910
97 to 120 months	138,408	182,269
From 121 months onwards	419,376	598,373
	<u>5,173,508</u>	<u>6,901,658</u>

# Raízen Group

## Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

### 18. Loans and financing

Purpose	Final maturity	Index/rate	Average annual effective interest rate (1)		Total	
			06.30.2020	03.31.2020	06.30.2020	03.31.2020
Debt classification per currency:						
Denominated in Brazilian Real (R\$)					10,996,358	9,624,179
Denominated in US Dollar and Euro (Note 27.d)					16,918,257	15,736,428
					<u>27,914,615</u>	<u>25,360,607</u>
Debt type (2):						
National Bank for Economic and Social Development (BNDES)	March/24	URTJLP	6.00%	6.25%	7,626	10,536
BNDES	December/30	Fixed rate	3.58%	3.59%	351,604	384,006
BNDES	April/24	UMBND	6.67%	6.67%	35,820	37,684
BNDES	December/38	IPCA	6.06%	7.36%	144,646	128,956
Working capital	August/20	CDI	2.59%	4.41%	33,755	33,458
Working capital	July/20	FED	0.83%	0.83%	21,995	16,645
Working capital	July/20	ARS	2.68%	-	213,170	-
Pre-export Financing	October/25	US\$ + <i>Libor</i>	1.86%	2.93%	9,076,925	8,723,426
Pre-export Financing	September/20	Fixed rate – US\$	3.74%	3.74%	1,094,443	1,051,686
Term Loan Agreement	April/24	US\$ + <i>Libor</i>	1.36%	2.95%	1,102,423	1,051,523
Debentures	June/30	IPCA + interest	6.01%	7.06%	1,342,072	1,115,357
Senior Notes Due 2027	January/27	US\$	5.30%	5.30%	3,220,985	2,965,837
Resolution 2471 (PESA)	April/23	IGP-M	9.17%	7.53%	339,370	328,965
Resolution 2471 (PESA)	October/25	Fixed rate	3.00%	3.00%	46	46
Credit notes	October/20	CDI	2.30%	3.91%	83,739	84,941
Finame/Leasing	January/25	Fixed rate	6.76%	6.64%	55,778	57,571
Finame/Leasing	March/21	URTJLP	8.14%	8.29%	33	45
Agribusiness Receivables Certificate (“CRA”)	July/29	CDI	2.10%	3.57%	2,922,522	2,947,187
CRA	July/30	IPCA	6.48%	7.33%	3,586,016	2,389,708
Study and Project Financing Institution (“Finep”)	November/22	Fixed rate	5.00%	5.00%	79,991	88,278
Loan 4131	December/20	Fixed rate – US\$	4.34%	4.34%	57,221	54,778
<i>Schuldschein</i>	October/21	Fixed rate - €	2.88%	2.88%	414,431	382,920
<i>Schuldschein</i>	September/22	Euribor	1.85%	1.79%	647,449	609,190
Rural financial product note (“CPR-F”)	November/29	CDI	2.74%	4.35%	2,013,340	2,017,441
Advances on Exchange Contracts (“ACC”)	September/20	Fixed rate – US\$	1.89%	1.71%	1,069,215	880,423
					<u>27,914,615</u>	<u>25,360,607</u>
Expenses with placement of securities:						
CRA					(44,895)	(15,590)
CPR-F					(12,105)	(12,426)
BNDES					(1,806)	(2,229)
Finem					(385)	(397)
<i>Senior Notes Due 2027</i>					(2,031)	(2,074)
Finep					(139)	(199)
Debentures					(5,142)	(180)
Pre-export Financing					(144)	(142)
					<u>(66,647)</u>	<u>(33,237)</u>
					<u>27,847,968</u>	<u>25,327,370</u>
Current					<u>(6,352,894)</u>	<u>(5,334,083)</u>
Noncurrent					<u>21,495,074</u>	<u>19,993,287</u>

- (1) The effective annual interest rate corresponds to the contract fee plus *Libor* (London InterBank Offered Rate), *Euribor* (European Interbank Offered Rate), URTJLP, IGP-M, UMBND, IPCA and CDI, where applicable.
- (2) Loans and financing are generally guaranteed by promissory notes from the Group. In certain cases, they also have security interest, such as: i) credit rights arising from energy trading contracts (BNDES); ii) CTN (Note 10) and land mortgage (PESA); iii) property, plant and equipment; and, iv) fiduciary sale of financed assets (Finame/PESA).

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The installments due in the long term, less amortization of expenses with placement of securities, have the following maturity schedule:

<u>Periods:</u>	<u>06.30.2020</u>
13 to 24 months	1,906,208
25 to 36 months	3,672,348
37 to 48 months	2,835,514
49 to 60 months	3,367,549
61 to 72 months	2,196,764
73 to 84 months	3,767,257
85 to 96 months	1,207,142
From 97 months onwards	2,542,292
	<u>21,495,074</u>

### Working capital

On April 17, 2020, Raízen Argentina obtained a new loan amounting to R\$ 206,735, equivalent to AR\$2,600,000, maturing in July 2020.

### Pre-export Financing

On June 2, 2020, RCSA obtained a new loan amounting to R\$ 269,000, equivalent to US\$ 50,000, maturing in June 2022.

In the quarter ended June 30, 2020, Raízen Argentina prepaid certain pre-export financing contracts in the amount of R\$ 285,390, equivalent to US\$ 55,000 thousand (principal) that were expected to be amortized in July and August 2020.

### Debentures

In June 2020, the CVM granted RESA registration for its fifth (5<sup>th</sup>) Public Issue of Unsecured Debentures through which 169,518 non-privileged nonconvertible debentures were issued, in a single series, with a nominal value of R\$1,000.00 (one thousand reais), totaling R\$ 169,518.

	<u>Index/rate</u>	<u>Principal</u>	<u>Receipt Date</u>	<u>Maturity</u>
5 <sup>th</sup> Serie	IPCA	169,518	06/15/2020	06/15/2030

### CRA

<u>Taken out in</u>	<u>Issuer</u>	<u>Issue</u>	<u>Serie</u>	<u>Maturity</u>	<u>Principal</u>
Jun-20	True Securitizadora SA	8°	2 <sup>a</sup>	Jun-27	352,426
Jun-20	True Securitizadora SA	8°	2 <sup>a</sup>	Jun-30	728,056

### ACC

On April 13, 2020, RESA obtained a new loan amounting to R\$ 126,530, equivalent to US\$ 25,000, maturing in April 2021.

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### Covenants

The Company and its subsidiaries are not subject to compliance with financial ratios, being subject only to certain restrictive clauses in the loan and financing agreements, such as cross-default and negative pledge, which are being met in accordance with contractual requirements.

#### Fair value

At June 30 and March 31, 2020, the book value and fair value of the loans are as follows:

Type	Amount raised		Fair value (1)		Finance income (costs)	
	06.30.2020	03.31.2020	06.30.2020	03.31.2020	Apr- Jun/20	Apr- Jun/19
Pre-export Financing	8,746,057	8,417,336	8,742,674	8,473,101	59,148	(70,545)
Term Loan Agreement	1,095,699	1,088,770	1,102,427	1,099,825	4,328	(39,735)
Senior Notes Due 2027	2,804,126	2,754,881	3,222,615	3,094,581	(78,789)	(82,294)
<i>Schuldschein</i>	1,031,477	992,495	1,062,514	1,028,186	4,653	(7,383)
CRA	2,323,288	2,324,909	2,501,470	2,383,604	(119,487)	(66,669)
Debentures	931,339	930,273	946,119	893,415	(51,638)	-
Loan 4131	57,276	56,666	57,221	57,356	745	-
	<u>16,989,262</u>	<u>16,565,330</u>	<u>17,635,040</u>	<u>17,030,068</u>	<u>(181,040)</u>	<u>(266,626)</u>

(1) Includes a fair value assessment balance at June 30 and March 31, 2020, amounting to R\$ 645,778 and R\$ 464,738, respectively.

Other loans and financing have no quoted value, but the fair value substantially approximates their book value, due to exposure to variable interest rates and the irrelevant variation of the Group's credit risk, which can be obtained by comparing quoted papers as demonstrated above.

#### **Other information**

##### **Revolving Credit Facility**

Raízen Fuels, a wholly-owned subsidiary of Raízen Energia, has a revolving credit facility in the total amount of US\$ 300,000 thousand, not used until the end of these combined consolidated financial statements, as follows:

Beneficiary	Institution	Amount in US\$	Maturity
Raízen Fuels	Syndicate of banks	300,000	April/2024

In addition, the Group has a revolving credit facility called Revolving Credit Facility with its shareholders, in the amount of US\$ 700,000 (Note 11.d), totaling US\$ 1,000,000.



## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### 19. Income and social contribution taxes

##### (a) Reconciliation of income and social contribution taxes (expense):

	<u>Apr- Jun/20</u>	<u>Apr- Jun/19</u>
<b>Profit before income and social contribution taxes</b>	(579,442)	320,192
Income and social contribution taxes at nominal rate (34%)	197,010	(108,865)
<b>Adjustments to calculate the effective rate:</b>		
Interest on Equity (IOE)	12,580	13,600
Equity pickup	(26,656)	(3,042)
Tax rate differences between countries	(15,151)	3,600
Rate difference between deemed profit and taxable profit taxation regimes	9,691	9,381
Gifts, donations, trade association dues	(1,830)	(3,315)
Taxation on a worldwide basis (“TBU”) related to foreign investments	(469)	(4,481)
Brazilian Special Regime for Reinstatement of Taxes (Reintegra)	522	316
Investment grant – ICMS	530	1,469
Other	(9,216)	(16,136)
Income and social contribution taxes credit (expense)	<u>167,011</u>	<u>(107,473)</u>
Effective rate	28.8%	33.6%

##### (b) Income and social contribution taxes recoverable (current and noncurrent):

	<u>06.30.2020</u>	<u>03.31.2020</u>
Corporate Income Tax (IRPJ)	822,762	750,114
Social Contribution Tax on Net Profit (CSLL)	245,830	235,473
Entity’s tax debits abroad	80,724	334,904
	<u>1,149,316</u>	<u>1,320,491</u>
Current assets	(631,718)	(778,694)
Noncurrent assets	<u>517,598</u>	<u>541,797</u>

##### (c) Income and social contribution taxes payable (current)

	<u>06.30.2020</u>	<u>03.31.2020</u>
Corporate Income Tax (IRPJ)	56,420	50,723
Social Contribution Tax on Net Profit (CSLL)	13,554	11,569
Entity’s tax debits abroad	39,355	166,802
	<u>109,329</u>	<u>229,094</u>

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### (d) Deferred income and social contribution tax assets and liabilities:

Assets / (liabilities)				06.30.2020	03.31.2020
	Base	IRPJ 25%	CSLL 9%	Total	Total
Tax losses	4,949,652	1,237,413	-	1,237,413	872,736
CSLL tax loss	4,531,344	-	407,821	407,821	303,358
Temporary differences:					
Foreign exchange difference	4,929,976	1,232,494	443,698	1,676,192	1,529,331
Provisions for contingencies	922,500	230,625	83,025	313,650	308,565
Compensation and benefits to employees	381,924	95,481	34,373	129,854	117,486
Lease liability and right of use	289,365	72,341	26,043	98,384	76,521
Estimated loss on write-off of goodwill	166,656	41,664	14,999	56,663	56,663
Fair value of inventories	-	-	-	-	67,035
Provisions and other temporary differences	1,126,717	281,685	101,813	383,498	363,703
Total deferred tax assets		<u>3,191,703</u>	<u>1,111,772</u>	<u>4,303,475</u>	<u>3,695,398</u>
Amortized tax goodwill	(1,935,059)	(483,765)	(174,155)	(657,920)	(651,092)
Unrealized income (loss) from derivatives	(4,222,256)	(1,055,564)	(380,003)	(1,435,567)	(1,442,972)
Revaluation of property, plant and equipment	(2,143,018)	(535,755)	(192,871)	(728,626)	(700,591)
Review of useful lives of PPE	(2,135,559)	(533,890)	(192,200)	(726,090)	(710,497)
Fair value of PPE items, intangible assets and others	(960,786)	(240,195)	(86,472)	(326,667)	(339,199)
Fair value upon joint venture creation	(522,521)	(130,630)	(47,027)	(177,657)	(178,963)
Biological assets	(342,715)	(85,679)	(30,844)	(116,523)	(44,665)
ICMS tax reimbursement	(263,738)	(65,935)	(23,736)	(89,671)	(85,235)
Fair value of inventories	(114,035)	(28,509)	(10,263)	(38,772)	-
Fair value of assets of customer contracts	(207,409)	(51,852)	(18,667)	(70,519)	(72,086)
Cost of capitalized loans	(268,715)	(67,178)	(24,185)	(91,363)	(93,376)
Total deferred tax liabilities		<u>(3,278,952)</u>	<u>(1,180,423)</u>	<u>(4,459,375)</u>	<u>(4,318,676)</u>
Total deferred taxes		<u>(87,249)</u>	<u>(68,651)</u>	<u>(155,900)</u>	<u>(623,278)</u>
Deferred taxes- Assets, net				1,545,721	1,279,947
Deferred taxes- Liabilities, net				<u>(1,701,621)</u>	<u>(1,903,225)</u>
Total deferred taxes				<u>(155,900)</u>	<u>(623,278)</u>

#### (d.1) Changes in deferred taxes, net:

At March 31, 2020	<u>(623,278)</u>
Impact (credit) on income statement	216,942
Deferred taxes on comprehensive income (loss)	284,610
Foreign currency translation effect and other	<u>(34,174)</u>
At June 30, 2020	<u>(155,900)</u>

#### (d.2) Realization of deferred income and social contribution taxes:

As mentioned in Note 19 to the financial statements of March 31, 2020, the Group expects to realize deferred tax assets, including IRPJ and CSLL tax loss carryforwards and temporary differences. In the three-month period ended June 30, 2020, there were no significant changes related to the expectations of the realization of deferred income and social contribution taxes.

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### 20. Provision for lawsuits and judicial deposits

##### Composition of lawsuits assessed as probable loss

As at June 30 and March 31, 2020, the balances of the claims to be reimbursed and the non-refundable claims to shareholders, within the scope of the Group's formation process (Note 11.a) are as follows:

	<u>06.30.2020</u>	<u>03.31.2020</u>
Tax	867,878	850,656
Civil	227,576	240,096
Labor	404,444	398,498
Environmental	70,110	69,633
	<u>1,570,008</u>	<u>1,558,883</u>
Non-reimbursable lawsuits	439,444	428,374
Reimbursable lawsuits	<u>1,130,564</u>	<u>1,130,509</u>
	<u>1,570,008</u>	<u>1,558,883</u>

In the process of establishing the Group, it was agreed that Cosan and Shell shall reimburse to the Group the amount of legal claims dated prior to their establishment, and in turn, that the Group shall refund Cosan and Shell for the amount of judicial deposits made with base date prior to the Group establishment.

As at June 30 and March 31, 2020, the balances of deposits refundable and non-refundable to shareholders, within the scope of the Group's establishment process (Note 11.a), are as follows:

	<u>06.30.2020</u>	<u>03.31.2020</u>
Tax	319,216	314,570
Civil	35,378	35,273
Labor	123,647	121,910
	<u>478,241</u>	<u>471,753</u>
Own judicial deposits	231,641	226,040
Refundable judicial deposits	<u>246,600</u>	<u>245,713</u>
	<u>478,241</u>	<u>471,753</u>

##### (i) Non-reimbursable lawsuits

	<u>Tax</u>	<u>Civil</u>	<u>Labor</u>	<u>Environmental</u>	<u>Total</u>
At March 31, 2020	60,123	20,429	307,393	40,429	428,374
Provisioned in the period (a)	1,290	3,848	31,738	639	37,515
Write-offs/reversals (a) / (b)	(2,992)	(1,775)	(23,548)	(20)	(28,335)
Payments	-	(1,509)	(13,586)	(1,495)	(16,590)
Monetary and exchange adjustments (b)	2,391	2,579	10,856	-	15,826
Foreign currency translation effect and other	(5)	354	256	2,049	2,654
At June 30, 2020	<u>60,807</u>	<u>23,926</u>	<u>313,109</u>	<u>41,602</u>	<u>439,444</u>

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

a) Recognized in the statement of profit or loss for the period under Sales taxes, General and administrative expenses and Other operating expenses, except for the monetary restatement reversals, recognized in Finance income (costs).

b) Recorded in income statement of the period under Finance income (costs).

#### (ii) Reimbursable lawsuits

	<u>Tax</u>	<u>Civil</u>	<u>Labor</u>	<u>Environmental</u>	<u>Total</u>
At March 31, 2020	790,533	219,667	91,105	29,204	1,130,509
Provisioned in the period	10,455	17,862	2,239	769	31,325
Write-offs/reversals	(39,735)	(54,075)	(2,808)	(1,024)	(97,642)
Payments	-	(1,000)	(1,513)	(670)	(3,183)
Monetary variations and foreign exchange differences	45,818	20,272	2,312	229	68,631
Foreign currency translation effect and other	-	924	-	-	924
At June 30, 2020	<u>807,071</u>	<u>203,650</u>	<u>91,335</u>	<u>28,508</u>	<u>1,130,564</u>

#### (iii) Total lawsuits

	<u>Tax</u>	<u>Civil</u>	<u>Labor</u>	<u>Environmental</u>	<u>Total</u>
At March 31, 2020	850,656	240,096	398,498	69,633	1,558,883
Provisioned in the period	11,745	21,710	33,977	1,408	68,840
Write-offs/reversals	(42,727)	(55,850)	(26,356)	(1,044)	(125,977)
Payments	-	(2,509)	(15,099)	(2,165)	(19,773)
Monetary and exchange adjustments	48,209	22,851	13,168	229	84,457
Foreign currency translation effect and other	(5)	1,278	256	2,049	3,578
At June 30, 2020	<u>867,878</u>	<u>227,576</u>	<u>404,444</u>	<u>70,110</u>	<u>1,570,008</u>

#### (a) Tax

	<u>06.30.2020</u>	<u>03.31.2020</u>
Social Security Tax (INSS)	5,375	5,315
State Value-Added Tax (ICMS)	549,574	491,977
Federal Value-Added Tax (IPI)	131,184	130,896
PIS and COFINS	58,769	58,589
Attorneys' fees	32,089	73,239
IRPJ and CSLL	78,698	78,352
Other	12,189	12,288
	<u>867,878</u>	<u>850,656</u>
Non-reimbursable lawsuits	60,807	60,123
Reimbursable lawsuits	807,071	790,533
	<u>867,878</u>	<u>850,656</u>

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### (b) Civil, tax and environmental claims

The Group is a party to several civil lawsuits related to (i) property and pain and suffering damages; (ii) contractual disputes; (iii) public civil actions to refrain from burning sugarcane straw; (iv) executions of an environmental nature; (v) remediating environmental damage caused by fuel leakage; and, (vi) contractual, real estate and credit recovery discussions, including discussions of contractual violations, possession of Group properties and recovery of amounts not paid by customers.

The Group is also party to several labor claims filed by former employees and employees of service providers who question, among others, the payment of overtime, night shift and risk exposure premiums, job reinstatement, refund of deductions made in payroll such as confederative association dues, union dues and others.

The main environmental claims are related to environmental remediation work to be carried out at filling stations, distribution bases, airports and customer distribution centers, which comprise removal of contaminated material, treatment of the area, laboratory analysis and post-remediation monitoring.

#### Lawsuits deemed as possible losses and, consequently, with no provision for lawsuits

##### (a) Tax

	<u>06.30.2020</u>	<u>03.31.2020</u>
State Value-Added Tax (ICMS)	4,850,646	4,869,363
Social Security Tax (INSS)	204,639	211,521
IPI	345,704	344,029
IRPJ and CSLL	3,604,472	3,561,628
PIS/COFINS	6,138,931	6,198,143
Offsetting against IPI credit – Revenue Procedure (IN) No. 67/98	137,588	136,871
Provisional Executive Order (MP) No. 470 - Debt installment payment	191,375	189,882
Other	1,181,043	1,062,653
	<u>16,654,398</u>	<u>16,574,090</u>
Non-reimbursable lawsuits	8,409,025	8,146,261
Reimbursable lawsuits	8,245,373	8,427,829
	<u>16,654,398</u>	<u>16,574,090</u>

##### (b) Civil, tax and environmental claims

	<u>06.30.2020</u>	<u>03.31.2020</u>
Civil	1,189,103	1,258,802
Labor	287,073	290,438
Environmental	81,038	53,794
	<u>1,557,214</u>	<u>1,603,034</u>
Non-reimbursable lawsuits	502,234	473,101
Reimbursable lawsuits	1,054,980	1,129,933
	<u>1,557,214</u>	<u>1,603,034</u>

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### 21. Commitments

As mentioned in Note 21 of the annual financial statements as of March 31, 2020, the Group has sales commitments, purchases of sugarcane, fuels and industrial equipment, electric power and steam, leases and agricultural partnership contracts, storage and transportation, and elevation of sugar services. In the three-month period ended June 30, 2020, there were no significant changes related to these commitments.

#### 22. Equity

In the context of the combined consolidated interim financial information, the accounts comprising equity (capital, capital reserve, income reserve, equity adjustments, among other) usually are not significant. Therefore, the statements of changes in equity of this combined consolidated interim financial information include only two items named equity attributed to controlling interests and noncontrolling interests.

The information disclosed in this note derives from the individual and consolidated interim financial statements of RESA and RCSA. Accordingly, as stated in Note 1.d, these combined consolidated financial statements of the Group do not represent the individual and consolidated interim financial information of an entity and its subsidiaries.

##### (a) Capital

##### (a.1) RESA

As at June 30 and March 31, 2020, RESA's capital amounts to R\$6,516,354. This item is deducted from the balance of redeemable preferred shares amounting to R\$ 3,745, totaling R\$ 6,512,609.

The fully subscribed and paid-in capital into shares is represented as follows:

	Shareholders (shares in units)			
	Shell	CIP Cosan Investimentos e Participações S.A ("CIP")	Cosan S.A.	Total
Common Shares	3,621,641,599	3,621,641,599	-	7,243,283,198
Class A preferred shares	-	-	1	1
Class B preferred shares	-	-	133,242,457	133,242,457
Class D preferred shares	100,000	-	-	100,000
Total as at June 30 and March 31, 2020	<u>3,621,741,599</u>	<u>3,621,641,599</u>	<u>133,242,458</u>	<u>7,376,625,656</u>

(1) In June 2014, Cosan S.A. contributed all its common shares issued by RESA and by RCSA to CIP.

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### (a.2) RCSA

As at June 30 and March 31, 2020, RCSA's capital amounts to R\$1,921,843.

The fully subscribed and paid-in capital into shares is represented, on these dates, as follows:

	<u>Shareholders (shares in units)</u>		
	<u>Shell</u>	<u>CIP</u>	<u>Total</u>
Common Shares	830,709,236	830,709,236	1,661,418,472
Class A preferred shares	1	-	1
Class D preferred shares	100,000	-	100,000
Class E preferred shares	81,897,057	-	81,897,057
Total as at June 30 and March 31, 2020	<u>912,706,294</u>	<u>830,709,236</u>	<u>1,743,415,530</u>

#### (b) Dividends and Interest on Equity (IOE)

Changes in dividends and IOE are as follows:

	<u>RCSA</u>	<u>RESA</u>	<u>Total</u>
Balance at March 31, 2020	73,026	22,516	95,542
IOE	37,000	-	37,000
Withholding Income Tax (IRRF) on IOE	(5,550)	-	(5,550)
Balance as at June 30, 2020	<u>104,476</u>	<u>22,516</u>	<u>126,992</u>
Current liabilities	(10,497)	(22,516)	(33,013)
Noncurrent liabilities	<u>93,979</u>	<u>-</u>	<u>93,979</u>

#### (c) Equity adjustments

	<u>03.31.2020</u>	<u>Comprehensive income (loss)</u>	<u>06.30.2020</u>
Foreign currency translation effect	897,970	203,410	1,101,380
Actuarial loss with defined benefit plan	(10,711)	-	(10,711)
Gain (loss) on hedge of net investment in a foreign operation	(45,741)	-	(45,741)
Gain (loss) on financial instruments designated as hedge accounting	(723,708)	(552,478)	(1,276,186)
	<u>117,810</u>	<u>(349,068)</u>	<u>(231,258)</u>
Attributable to:			
Group's controlling interests	117,810	(349,068)	(231,258)
	<u>03.31.2019</u>	<u>Comprehensive income (loss)</u>	<u>06.30.2019</u>
Foreign currency translation effect	(102,318)	(44,474)	(146,792)
Actuarial loss with defined benefit plan	(12,539)	-	(12,539)
Gains (losses) on hedge of net investment in a foreign entity	(35,795)	2,045	(33,750)
Gains (losses) on financial instruments designated as hedge accounting	(269,669)	53,870	(215,799)
	<u>(420,321)</u>	<u>11,441</u>	<u>(408,880)</u>
Attributable to:			
Group's controlling interests	(420,316)	11,441	(408,875)
Group's noncontrolling interests	(5)	-	(5)

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### 23. Operating revenue, net

The Group's gross revenue is broken down as follows:

	<u>Apr-Jun/2020</u>	<u>Apr-Jun/2019</u>
Domestic market	16,222,803	25,444,855
Foreign market	4,523,679	5,759,641
Gross revenue on sales of products and services	20,746,482	31,204,496
Gain (loss) on financial instruments designated as hedge accounting	17,414	30,497
Gain (loss) on commodities-related financial instruments not designated as hedge accounting	(44,300)	53,737
Returns and cancellations	(137,471)	(165,465)
Sales taxes	(1,456,721)	(2,263,710)
Trade discounts	(85,928)	(75,979)
Amortization of exclusive supply rights (Note 12)	(111,681)	(118,327)
Other	(4,223)	(17,800)
Net operating revenue	<u>18,923,572</u>	<u>28,647,449</u>

The breakdown of net operating revenue by product is as follows:

	<u>Apr-Jun/2020</u>	<u>Apr-Jun/2019</u>
Diesel	8,215,812	11,676,136
Gasoline	5,545,793	9,424,286
Ethanol	2,913,870	3,368,513
Jet A-1	236,657	1,622,968
Sugar	1,085,078	751,316
Energy	437,988	911,268
Other	488,374	892,962
	<u>18,923,572</u>	<u>28,647,449</u>

#### 24. Costs and expenses by nature

##### Reconciliation of costs and expenses by nature

Costs and expenses are shown in income statement by function. The reconciliation of the Group's income statement by nature for the three-month periods ended June 30, 2020 and 2019 is detailed below:



## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### Costs and expenses by nature

	<u>Apr-Jun/2020</u>	<u>Apr-Jun/2019</u>
Fuel for resale, raw material, costs of collections and transfers	(17,592,928)	(26,304,997)
Depreciation and amortization	(843,428)	(765,356)
Personnel expenses	(389,359)	(410,873)
Cutting, loading and transportation	(166,729)	(170,216)
Realization of the fair value of biological assets	(1,709)	3,220
Change in the fair value of biological assets	193,673	83,286
Maintenance materials	(57,003)	(64,902)
Selling expenses	(92,210)	(127,367)
Contracted labor	(99,604)	(103,839)
Logistic expenses	(87,923)	(84,482)
Other	(102,888)	(176,869)
	<u>(19,240,108)</u>	<u>(28,122,395)</u>

#### Classified as:

	<u>Apr-Jun/2020</u>	<u>Apr-Jun/2019</u>
Costs of products sold and services rendered	(18,279,517)	(27,102,425)
Selling expenses	(658,863)	(723,719)
General and administrative expenses	(301,728)	(296,251)
	<u>(19,240,108)</u>	<u>(28,122,395)</u>

#### 25. Other operating income, net

	<u>Apr-Jun/2020</u>	<u>Apr-Jun/2019</u>
Recognition of tax credits, net	21,418	45,197
Revenues from rents and leases	25,682	33,244
Gain (loss) on commercial operations	(14,569)	17,062
Gain on sale of property, plant and equipment	2,085	33,651
Royalty income	1,087	24,560
Net reversal (constitution) of provision for estimated loss on investments and		
PPE and intangible assets	7,229	(407)
Merchandising	3,949	18,587
Constitution of provision for contingencies, net	(3,948)	(34,527)
Other revenues, net	7,526	34,349
	<u>50,459</u>	<u>171,716</u>

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### 26. Finance income (costs)

	<u>Apr-Jun/2020</u>	<u>Apr-Jun/2019</u>
<u>Finance costs</u>		
Interest	(370,312)	(373,966)
Monetary variation losses	6,033	(31,312)
PIS/COFINS on finance costs	(17,523)	(9,473)
Other	(8,329)	(25,965)
	<u>(390,131)</u>	<u>(440,716)</u>
Fair value of financial instruments (Note 18)	(181,040)	(266,626)
Amounts capitalized on qualified assets (Note 14)	<u>7,678</u>	<u>8,151</u>
	<u>(563,493)</u>	<u>(699,191)</u>
<u>Finance income</u>		
Short-term investment yields	15,390	59,402
Interest	75,686	98,412
Monetary variation gains and other	7,699	8,829
	<u>98,775</u>	<u>166,643</u>
<u>Foreign exchange differences, net</u>	<u>(738,633)</u>	<u>176,018</u>
<u>Net effect of derivatives</u>	<u>972,226</u>	<u>(11,101)</u>
	<u>(231,125)</u>	<u>(367,631)</u>

#### 27. Financial instruments

##### (a) Overview

The Group is exposed to the following significant risks arising from its operations, which are equalized and managed through certain financial instruments: (i) Price risk; (ii) Exchange rate risk; (iii) Interest rate risk; (iv) Credit risk; and (v) Liquidity risk.

##### (b) Risk management structure

The Group has specific treasury and trading policies that define how risk management should be carried out, never operating with derivatives which are beyond the notional total of underlying asset or liability.

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

To monitor activities and ensure compliance with policies, the Group has the following main committees: (i) Risk Committee that meets weekly to analyze the behavior of the commodities (sugar, ethanol and oil by-products) and foreign exchange markets and deliberate on hedging positions and pricing strategy for exports or imports of products, so as to reduce the adverse effects of changes in prices and exchange rates. (ii) Ethanol and by-products Committee that meets monthly to assess the risks associated with the sale of ethanol and by-products and to adapt to the limits defined in the risk policies.

The Group is exposed to the following significant market risks: (i) sugar, electric power, ethanol and by-products price volatility; (ii) exchange rate volatility; and (iii) interest rate volatility. The financial instruments for hedging purposes are taken out by analyzing the risk exposure to which management seeks coverage.

As at June 30 and March 31, 2020, the fair values related to transactions involving derivative financial instruments for hedging or other purposes were measured through observable factors, such as prices quoted in active markets or discounted cash flows based on market curves and are presented below:

	Notional amount		Fair value	
	06.30.2020	03.31.2020	06.30.2020	03.31.2020
Price risk				
Goods derivatives				
Futures	8,378,738	6,097,400	799,099	1,905,331
	<u>8,378,738</u>	<u>6,097,400</u>	<u>799,099</u>	<u>1,905,331</u>
Exchange rate risk				
Exchange rate derivatives				
Futures	205,350	181,955	(84)	(973)
Forwards	9,774,660	5,444,463	(235,473)	(742,773)
Locked-in exchange	150,818	-	(2,905)	-
Foreign exchange swap	(12,180,582)	(15,698,579)	3,219,047	3,039,373
	<u>(2,049,754)</u>	<u>(10,072,161)</u>	<u>2,980,585</u>	<u>2,295,627</u>
Interest rate risk				
Interest swap	(3,063,533)	(3,063,533)	347,995	194,958
	<u>(3,063,533)</u>	<u>(3,063,533)</u>	<u>347,995</u>	<u>194,958</u>
Total			<u>4,127,679</u>	<u>4,395,916</u>
Current assets			3,503,759	5,016,307
Noncurrent assets			<u>3,582,768</u>	<u>3,128,089</u>
Total assets			<u>7,086,527</u>	<u>8,144,396</u>
Current liabilities			(2,858,834)	(3,640,357)
Noncurrent liabilities			<u>(100,014)</u>	<u>(108,123)</u>
Total liabilities			<u>(2,958,848)</u>	<u>(3,748,480)</u>
Total			<u>4,127,679</u>	<u>4,395,916</u>

#### (c) Price risk

This arises from the possibility of fluctuating market prices for products traded by the Group, mainly VHP sugar, refined and white sugar, diesel (heating oil), gasoline, ethanol, electric power and crude oil. These price oscillations may lead to material changes in sales revenues and costs. To mitigate this risk, the Group constantly monitors the market to anticipate price changes.

# Raízen Group

## Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

Price risk: commodity derivatives outstanding as at June 30, 2020								
Derivatives	Purchased/ Sold	Market	Contract	Maturity	Notional amount (units)	Notional amount (R\$ thousand)	Fair value (R\$ thousand)	
Futures	Sold	ICE	Sugar#11	Jul/20 to Feb/23	9,871,923 t	14,774,121	483,474	
Futures	Sold	ICE	Sugar#16	Dec/20	10,160 t	32,237	(293)	
Futures	Sold	NYSE LIFFE	Sugar#5	Jul/20 to Sept/20	263,150 t	491,462	(18,835)	
Futures	Sold	OTC	Sugar#11	Apr/21 to Feb/22	1,131,870 t	286,185	(25,595)	
Options	Sold	ICE	Sugar#11	Sept/20 to Sept/21	1,003,043 t	83,455	(61,736)	
Options	Sold	OTC	Sugar#11	Apr/21	100,989 t	24,029	(5,495)	
Subtotal - sugar futures sold					12,381,135 t	15,691,489	371,520	
Futures	Purchased	ICE	Sugar#16	Dec/20	(10,160) t	(32,855)	(325)	
Futures	Purchased	NYSE LIFFE	Sugar#5	Jul/20 to Jul/20	(124,800) t	(240,799)	256	
Options	Purchased	ICE	Sugar#11	Jul/20 to Sept/22	(960,572) t	(64,984)	59,669	
Futures	Purchased	ICE	Sugar#11	Jul/20 to Sept/22	(6,134,433) t	(8,841,141)	48,480	
Subtotal – sugar futures purchased					(7,229,965) t	(9,179,779)	108,080	
Subtotal – sugar futures					5,151,170 t	6,511,710	479,600	
Futures	Sold	B3	Ethanol	Jul/20 to Jan/21	19,200 cbm	176,330	405	
Futures	Sold	CME	Ethanol	Jul/20 to Mar/21	869,380 cbm	2,367,997	(82,979)	
Futures	Sold	OTC	Ethanol	Jul/20 to Mar/21	972,046 cbm	750,615	(34,021)	
Options	Sold	OTC	Ethanol	Jun/20 to Dec/20	15,000 cbm	566	(506)	
Subtotal – ethanol futures sold					1,875,626 cbm	3,295,508	(117,101)	
Futures	Purchased	B3	Ethanol	Jul/20 to Feb/21	(60,570) cbm	(589,033)	(1,549)	
Futures	Purchased	OTC	Ethanol	Jul/20 to Jul/20	(10,200) cbm	(17,493)	(207)	
Futures	Purchased	CME	Ethanol	Jul/20 to Mar/21	(844,265) cbm	(1,988,552)	121,101	
Futures	Purchased	OTC	Ethanol	Jul/20 to Mar/21	(876,011) cbm	(630,551)	80,605	
Options	Purchased	CME	Ethanol	Jul/20 to Sept/20	(32,500) cbm	(2,401)	1,176	
Subtotal – ethanol futures purchased					(1,823,546) cbm	(3,228,030)	201,126	
Physical fixed	Sold	CHGOETHNL	Ethanol	Jul/20 to May/21	407,539 cbm	1,042,292	(71,494)	
Subtotal - physical fixed ethanol sold					407,539 m <sup>3</sup>	1,042,292	(71,494)	
Physical fixed	Purchased	CHGOETHNL	Ethanol	Jul/20 to Mar/21	(296,541) cbm	(601,910)	19,147	
Subtotal - physical fixed ethanol purchased					(296,541) cbm	(601,910)	19,147	
Subtotal - Futures and physical fixed ethanol					163,078 cbm	507,860	31,678	
Futures	Sold	NYMEX	Gasoline	Jul/20 to Jan/21	822,507 cbm	1,518,892	192,941	
Futures	Sold	ICE	Gasoline	Jul/20 to Dec/21	396,705 cbm	499,172	51,065	
Futures	Sold	CME	Gasoline	Jul-20	32,754 cbm	(2,487)	(407)	
Options	Sold	ICE	Gasoline	Aug-20	6,360 cbm	120	120	
Options	Sold	NYMEX	Gasoline	Aug/20 to Dec/20	103,350 cbm	17,537	(16,172)	
Subtotal - Gasoline futures purchased					1,361,676 cbm	2,033,234	227,547	
Futures	Purchased	NYMEX	Gasoline	Jul/20 to Jan/21	(672,411) cbm	(1,025,353)	67,140	
Futures	Purchased	CME	Gasoline	Jul-20	(49,767) cbm	4,348	542	
Futures	Purchased	ICE	Gasoline	Jul/20 to Dec/21	(389,550) cbm	(493,661)	(55,550)	
Options	Purchased	ICE	Gasoline	Aug-20	(6,360) cbm	(110)	(110)	
Options	Purchased	NYMEX	Gasoline	Aug/20 to Dec/20	(103,350) cbm	(10,028)	22,297	
Subtotal - Gasoline futures sold					(1,221,438) cbm	(1,524,804)	34,319	
Subtotal - Gasoline futures					140,238 cbm	508,430	261,866	
Physical fixed	Sold	CCEE/OTC	Power	Jul/20 to Dec/31	14,719,823 mhw	2,895,025	330,076	
Physical fixed	Purchased	CCEE/OTC	Power	Jul/20 to Dec/31	(14,719,823) mhw	(2,560,327)	(76,078)	
Subtotal de Futures physical fixed Power					-	334,698	253,998	
Futures	Purchased	NYMEX	Gasoline	Jul/20 to Aug/20	(350,276) cbm	(525,746)	30,925	
Futures	Purchased	NYMEX	Heating oil	Jul/20 to Jun/21	(974,034) cbm	(1,388,250)	54,658	
Options	Purchased	NYMEX	Heating oil	Jul/20 to Mar/21	(60,102) cbm	(91,707)	14,064	
Subtotal - heating oil /gasoline futures purchased					(1,384,412) cbm	(2,005,703)	99,647	
Futures	Sold	NYMEX	Gasoline	Jul/20 to Aug/20	462,213 cbm	642,182	(107,815)	
Futures	Sold	NYMEX	Heating oil	Jul/20 to Dec/20	1,310,637 cbm	1,878,330	(207,400)	
Options	Sold	NYMEX	Jet	Aug/20	66,780 cbm	1,231	(12,475)	
Subtotal - heating oil /gasoline sold					1,839,630 cbm	2,521,743	(327,690)	
Subtotal - heating oil /gasoline					455,218 cbm	516,040	(228,043)	
Net exposure of commodity derivatives as at June 30, 2020						8,378,738	799,099	
Net exposure of commodity derivatives as at March 31, 2020						6,097,400	1,905,331	

## Raízen Group

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#### (d) Exchange rate risk

This derives from the possibility of fluctuations in exchange rates used by the Group for revenue from exports, imports, debt flows and other assets and liabilities in foreign currency. The Group uses derivative operations to manage cash flow risks denominated in US dollars, net of other cash and cash equivalent flows. The derivatives positions used to hedge against the exchange rate risk are as follows:

Exchange rate risk: foreign exchange derivatives outstanding as at June 30, 2020							
Derivatives	Purchased/ Sold	Market	Contract	Maturity	Notional amount (US\$ thousand)	Notional amount (R\$ thousand)	Fair value (R\$ thousand)
Futures	Sold	B3	Commercial Dollar	Jul/20 to Aug/20	567,500	3,107,630	(19,438)
Subtotal – futures purchased					567,500	3,107,630	(19,438)
Futures	Purchased	B3	Commercial Dollar	Jul/20 to Aug/20	(530,000)	(2,902,280)	19,354
Subtotal - futures purchased					(530,000)	(2,902,280)	19,354
Subtotal - futures purchased/sold					37,500	205,350	(84)
Forward	Sold	OTC/Cetip	Non-Deliverable Forwards (NDF)	Jul/20 to Nov/20	4,222,300	23,121,315	(482,829)
Forward	Purchased	OTC/Cetip	NDF	Jul/20 to Nov/20	(2,437,300)	(13,346,655)	247,356
Subtotal - purchased/sold forward					1,785,000	9,774,660	(235,473)
Exchange swap	Sold	OTC	Exchange swap	Jan/22 to Jan/27	519,123	2,842,716	(1,418,129)
Exchange swap	Purchased	OTC	Exchange swap	Sept/20 to Jan/27	(2,743,480)	(15,023,298)	4,637,176
Subtotal exchange swap					(2,224,357)	(12,180,582)	3,219,047
Locked-in exchange	Sold	OTC	Locked-in exchange	Aug/20 to Mar/21	27,542	150,818	(2,905)
Subtotal - Locked-in exchange sold					27,542	150,818	(2,905)
Net exposure of foreign exchange derivatives as at June 30, 2020					(374,315)	(2,049,754)	2,980,585
Net exposure of foreign exchange derivatives as at March 31, 2020					(1,937,439)	(10,072,161)	2,295,627

At June 30, 2020, the summary of quantitative data on the Group's net exposure, considering the parity of all currencies to US\$, is presented below:

	06.30.2020	
	R\$	US\$ (in thousand)
Cash and cash equivalents (Note 3)	4,450,186	812,671
Restricted cash (Note 5)	508,461	92,853
Foreign trade accounts receivable (Note 6)	783,519	143,082
Related parties (Note 11)	(397,891)	(72,661)
Trade accounts payable (Note 16)	(3,014,010)	(550,404)
Loans and financing (Note 18)	(16,918,257)	(3,089,528)
Lease liabilities (Note 19)	(494,126)	(90,235)
Derivative financial instruments (Note 27.d) (1)		374,315
Foreign exchange exposure, net		(2,379,907)
Derivatives settled in the month following closing (2)		(750)
Net foreign exchange exposure at June 30, 2020 (3)		(2,380,657)
Net foreign exchange exposure at March 31, 2020		(1,197,933)

(1) Refers to the notional amount of foreign exchange derivative operations.

(2) Maturity in July 2020, which was settled by reference to PTAX of the last day of the closing month.

(3) The adjusted net foreign exchange exposure will be substantially offset in the future with highly probable product export revenues and/or product import costs.

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

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#### (e) Effects of hedge accounting

The Group formally designates its operations subject to hedge accounting for the purpose of hedging cash flows. The main hedges designated are sugar revenue, ethanol revenue, as applicable, cost of by-products and foreign currency debt.

Impacts recognized in the Group's equity and the estimated realization in income statement are as follows:

Instruments	Market	Risk	Years of realization			06.30.2020	03.31.2020
			2020	2021/22	From 2022 onwards		
Futures	OTC / ICE	Sugar#11	367,319	227,316	(7,572)	587,063	862,063
Futures	B3 / NYMEX / OTC	Ethanol	275,109			275,109	303,960
Options	ICE	Sugar#11	22,364	(4,033)		18,331	135,346
Forward	OTC	FX	(1,317,273)	(418,894)	54,160	(1,682,007)	(1,400,747)
Swap	Debt	FX			(1,052,328)	(1,052,328)	(924,299)
Pre-export Financing	Debt	FX			(79,784)	(79,784)	(72,851)
			(652,481)	(195,611)	(1,085,524)	(1,933,616)	(1,096,528)
(-) Deferred taxes			221,844	66,508	369,078	657,430	372,820
Effect on equity			(430,637)	(129,103)	(716,446)	(1,276,186)	(723,708)

Changes in balances in other comprehensive income (loss) for the three-month period ended June 30, 2020 are as follows:

#### Cash flow hedge

Balance at March 31, 2020	(723,708)
Changes for the period:	
Fair value of commodity futures designated as hedge accounting	(402,963)
Fair value of foreign exchange forward designated as hedge accounting	(273,603)
Foreign exchange differences on debt contracts designated as hedge accounting	(134,969)
Gains (losses) on commodities/foreign exchange reclassified to operating income (loss) and other	(25,553)
Total changes for the period (before deferred taxes)	(837,088)
Effect of deferred taxes on equity adjustments	284,610
	(552,478)
Balance as at June 30, 2020	(1,276,186)

#### Fair value hedge

RCSA designates at fair value the inventory and highly probable purchases of oil by-products with linked derivatives. Risk management is primarily intended for recognizing inventory at a floating price, as RCSA's sales revenue will be upon sale of products to its customers. Hedge accounting aims to minimize any type of mismatching in income statement of the period, causing both the derivatives and the inventory to be recorded at fair value, with the change being recognized under Cost of products sold and services rendered, whose positive impact in the three-month period ended June 30, 2020 was R\$311,199 (R\$3,130 at June 30, 2019). At June 30, 2020, in the statement of financial position, the fair value measurement balance of inventories is increased by R\$114,036 (decreased by R\$197,163 at March 31, 2020).

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

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#### (f) Interest rate risk

The Group monitors fluctuations in variable interest rates related to certain debts, especially those linked to Libor and, when necessary, uses derivative instruments to minimize these risks. The positions of derivative financial instruments used to hedge against the interest rate risk are as follows:

Interest rate risk: Interest derivatives outstanding as at June 30, 2020							
<u>Derivatives</u>	<u>Purchased/ Sold</u>	<u>Market</u>	<u>Contract</u>	<u>Maturity</u>	<u>Notional amount (US\$ thousand)</u>	<u>Notional amount (R\$ thousand)</u>	<u>Fair value (R\$ thousand)</u>
Interest swap	Sold	OTC	Interest swap	Oct-20	73,215	400,927	(17,615)
Interest swap	Purchased	OTC	Interest swap	Oct/20 to Nov/29	(632,663)	(3,464,460)	365,610
Subtotal interest swap					(559,448)	(3,063,533)	347,995
Net exposure of interest derivatives in June 2020					(559,448)	(3,063,533)	347,995
Net exposure of interest derivatives in March 2020					(589,288)	(3,063,533)	194,958

#### (g) Credit risk

A substantial part of the Group's sales is made to a select group of highly qualified counterparties.

Credit risk is managed by specific rules for customer acceptance, credit analysis and establishment of exposure limits per customer, including, when applicable, requirement of letter of credit from first-tier banks and capturing security interest on loans granted. Management considers that the credit risk is substantially covered by the allowance for expected credit losses.

Individual risk limits are established based on internal or external ratings, according to the limits determined by the Group management. The use of credit limits is regularly monitored. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by the counterparties at an amount higher than that already provisioned.

The Group operates commodity derivatives in the New York - NYBOT and NYMEX, Chicago - CBOT and CME and London - LIFFE commodity futures and options markets, as well as in the over-the-counter (OTC) market with selected counterparties. Also, the Group operates commodity exchange rate derivatives and over-the-counter contracts registered with B3, mainly with the main local and international banks considered Investment Grade by international rating agencies.

**Guarantee margins** (Restricted Cash, Note 5) - Derivative transactions on commodity exchanges (NYBOT, NYMEX, LIFFE and B3) require guarantee margins. The total combined consolidated margin deposited at June 30, 2020 amounts to R\$569,076 (R\$160,610 at March 31, 2020), of which R\$60,615 (R\$33,178 at March 31, 2020) in restricted short-term investments and R\$508,461 (R\$127,432 at March 31, 2020) in margin on derivative transactions.

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The Group's derivative transactions in over the counter do not require a guarantee margin.

Credit risk on cash and cash equivalents is mitigated through the conservative distribution of investment funds and CDBs that make up the item. The distribution follows strict criteria for allocation and exposure to counterparties, which are the main local and international banks considered, in their majority, as Investment Grade by the international rating agencies.

#### (h) **Liquidity risk**

Liquidity risk is that in which the Group may encounter difficulties in honoring the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Group's liquidity management approach is to ensure, as much as possible, that there will always be sufficient liquidity to meet its obligations upon maturity, under normal or stress conditions, without experiencing unacceptable losses or damaging its reputation.

As part of the liquidity management process, management prepares business plans and monitors their execution, discussing the positive and negative cash flow risks and assessing the availability of financial resources to support its operations, investments and refinancing needs.

The table below states the main financial liabilities contracted by maturity:

	<u>Up to 1 year</u>	<u>Up to 2 years</u>	<u>From 3 to 5 years</u>	<u>Above 5 years</u>	<u>Total</u>
Loans and financing (1)	6,567,604	2,037,217	11,272,540	12,439,420	32,316,781
Trade accounts payable (Note 16)	8,153,158	-	-	-	8,153,158
Lease liabilities from third parties and related parties (1)	1,493,372	1,258,060	2,354,054	1,803,423	6,908,909
Derivative financial instruments (Note 27.b)	2,858,834	64,925	31,927	3,162	2,958,848
Related parties (Note 11) (1 and 2)	1,093,587	-	-	483,074	1,576,661
	<u>20,166,555</u>	<u>3,360,202</u>	<u>13,658,521</u>	<u>14,729,079</u>	<u>51,914,357</u>

- (1) Non-discounted contractual cash flows.  
(2) Except for lease liabilities with related parties.

#### (i) **Fair value**

The procedures for defining, measuring and recognizing the fair value of financial assets and liabilities remain the same as those disclosed in the annual financial statements as at March 31, 2020 (Note 27.i).

##### **Fair value hierarchy**

The Group uses the following hierarchy to determine and disclose the fair value of financial instruments by the valuation technique, to wit:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and



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### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

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- Level 3 - techniques using inputs that have a significant effect on fair value recorded that are not based on observable market data.

#### Financial instruments measured at fair value at June 30, 2020

	Level 1	Level 2	Total
Short-term investments (Note 3)	-	2,426,417	2,426,417
Marketable securities (Note 4)	-	39,428	39,428
Restricted short-term investments (restricted cash) (Note 5)	-	111,405	111,405
Derivative financial assets (Note 27.b)	2,609,509	4,477,018	7,086,527
Loans and financing (Note 18)	-	(17,635,040)	(17,635,040)
Derivative financial assets (Note 27.b)	(2,082,686)	(876,162)	(2,958,848)
Total at June 30, 2020	526,823	(11,456,934)	(10,930,111)
Total at March 31, 2020	1,597,447	(11,274,207)	(9,676,760)

#### (j) Sensitivity analysis

The sensitivity analysis of the financial instruments' fair value, according to the types of risk considered significant by the Group, is presented below.

#### Assumptions for sensitivity analysis

The Group adopted three scenarios for its sensitivity analysis, one probable and two (possible and remote) that may have adverse effects on the fair value of its financial instruments. The probable scenario was defined based on the futures market curves for sugar, oil (heating oil), ethanol and the US dollar at June 30, 2020, corresponding to the balance of the derivatives' fair value on that date. Possible and remote adverse scenarios were defined considering adverse impacts of 25% and 50% on sugar price curves and US dollar, which were calculated based on the probable scenario.

# Raízen Group

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### Sensitivity table

#### (1) Changes in fair value of derivative financial instruments

	<u>Risk factor</u>	<u>Probable Scenario</u>	<u>Impact on income statement (*)</u>			
			<u>Possible scenario +25%</u>	<u>Fair value balance</u>	<u>Remote scenario +50%</u>	<u>Fair value balance</u>
<u>Price risk</u>						
Goods derivatives						
Futures contracts and options:						
Purchase and sale commitments	Sugar price increase	479,599	182,964	662,563	365,929	845,528
Purchase and sale commitments	Gasoline price increase	271,223	(58,991)	212,232	(117,983)	153,240
Purchase and sale commitments	Ethanol price increase	31,680	212,706	244,385	425,411	457,091
Purchase and sale commitments	Diesel and gasoline price increase	(237,401)	(188,682)	(426,083)	(377,364)	(614,765)
Purchase and sale commitments	Power price increase	253,998	(97,646)	156,352	(195,292)	58,706
		799,099	50,351	849,449	100,701	899,800
<u>Exchange rate risk</u>						
Exchange rate derivatives						
Futures:						
Purchase and sale commitments	R\$/US\$ exchange rate fall	(84)	(17,340)	(17,424)	(34,680)	(34,764)
Forward and Locked-in exchange contracts:						
Purchase and sale commitments	R\$/US\$ exchange rate decrease	(231,387)	(2,465,297)	(2,696,684)	(4,930,595)	(5,161,981)
Purchase and sale commitments	ARS/US\$ exchange rate fall	(6,991)	75,557	68,566	151,114	144,123
FX swaps:						
Purchase and sale commitments	R\$/US\$ exchange rate decrease	3,219,047	(6,374,379)	(3,155,332)	(12,748,758)	(9,529,711)
		2,980,585	(8,781,459)	(5,800,874)	(17,562,919)	(14,582,333)
<u>Interest rate risk</u>						
Interest derivatives						
Swap, locked-in exchange contracts, DI and NDF	Interest rate decrease	347,995	253,663	601,658	507,326	855,321
		347,995	253,663	601,658	507,326	855,321
Total		4,127,679	(8,477,445)	(4,349,767)	(16,954,892)	(12,827,212)

(\*) Result projected to occur in up to 12 months from June 30, 2020.

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#### (2) Foreign exchange exposure, net

The probable scenario considers the position at June 30, 2020. The effects of the possible and remote scenarios that would be posted to the combined consolidated statement of income statement as foreign exchange gain (loss) are as follows:

	Asset/liability balances	FX difference effect			
		Possible scenario +25%	Remote scenario +50%	Possible scenario -25%	Remote scenario -50%
<b>Net foreign exchange exposure at June 30, 2020</b>					
Cash and cash equivalents (Note 3)	4,450,186	1,112,547	2,225,093	(1,112,547)	(2,225,093)
Restricted cash (Note 5)	508,461	127,115	254,231	(127,115)	(254,231)
Foreign trade accounts receivable (Note 6)	783,519	195,880	391,760	(195,880)	(391,760)
Related parties (Note 11.a)	(397,891)	(99,473)	(198,946)	99,473	198,946
Trade accounts payable (Note 16)	(3,014,010)	(753,503)	(1,507,005)	753,503	1,507,005
Loans and financing (Note 18)	(16,918,257)	(4,229,564)	(8,459,129)	4,229,564	8,459,129
Lease liabilities (Note 19)	(494,126)	(123,532)	(247,063)	123,532	247,063
Impact on income statement for the period		<u>(3,770,530)</u>	<u>(7,541,059)</u>	<u>3,770,530</u>	<u>7,541,059</u>

#### (3) Sensitivity in interest rates

At June 30, 2020, the probable scenario considers the weighted average floating interest rate of 3.42% p.a. on loans and financing, and for short-term investments and restricted cash, the CDI accumulated over the past 12 months of 4.6%. In both cases, simulations were performed with an increase and decrease of 25% and 50%. The combined consolidated results of this sensitivity analysis are presented below:

	June 30, 2020				
	Probable Scenario	Interest rate sensitivity			
		Possible scenario +25%	Remote scenario +50%	Possible scenario -25%	Remote scenario -50%
Short-term investments	59,975	14,994	29,988	(14,994)	(29,988)
Marketable securities	1,811	453	906	(453)	(906)
Short-term investments (restricted cash)	5,128	1,282	2,564	(1,282)	(2,564)
Loans and financing	<u>(847,517)</u>	<u>(211,879)</u>	<u>(423,758)</u>	<u>211,879</u>	<u>423,758</u>
Additional impact on income statement for the period	<u>(780,603)</u>	<u>(195,150)</u>	<u>(390,300)</u>	<u>195,150</u>	<u>390,300</u>

#### (k) Capital management

The Group's objective when managing its capital structure is to ensure the continuity of its operations and finance investment opportunities, maintaining a healthy credit profile and offering an adequate return to its shareholders.

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

The Group has a relationship with the main local and international rating agencies, as shown below:

<u>Agency</u>	<u>Scale</u>	<u>Rating</u>	<u>Outlook</u>	<u>Date</u>
Fitch	Local	AAA (bra)	Stable	05/28/2020
	Global	BBB	Negative	05/28/2020
Moody's	Local	Aaa.Br	Stable	06/28/2019
	Global	Ba1	Stable	06/28/2019
Standard & Poor's	Local	brAAA	Stable	06/29/2020
	Global	BBB-	Stable	06/29/2020

The Raízen Group monitors its capital through a combined treasury management of its business, using a leverage ratio represented by net debt divided by equity.

The Group's net debt is calculated as the total of loans and financing with the market, net of cash and cash equivalents, investments and trade notes held as collateral for debt items and derivative financial instruments taken out to hedge the indebtedness.

Financial leverage ratios at June 30 and March 31, 2020 were calculated as follows:

	<u>06.30.2020</u>	<u>03.31.2020</u>
Net debt		
Loans and financing (Note 18)	27,847,968	25,327,370
(-) Cash and cash equivalents (Note 3)	(5,924,541)	(8,601,660)
(-) Marketable securities (Note 4)	(39,428)	(39,145)
(-) Short-term investments subject to financing (Note 5)	(50,790)	(50,460)
(-) National Treasury Certificates - CTN (Note 10)	(314,013)	(297,459)
(-) Exchange rate, interest rate and other derivative swaps (Note 27.b)	(3,567,042)	(3,369,934)
	<u>17,952,154</u>	<u>12,968,712</u>
Equity		
Equity		
Attributable to the Group's controlling interests	10,563,548	11,364,386
Noncontrolling interests	368,056	365,717
	<u>10,931,604</u>	<u>11,730,103</u>
Total equity and net debt	<u>28,883,758</u>	<u>24,698,815</u>
Financial leverage ratio	<u>62%</u>	<u>53%</u>

## 28. Supplementary retirement plan and other employee benefits

### (a) Pension fund

#### Defined contribution

In the three-month period ended June 30, 2020, the contribution amount recognized as an expense was R\$5,396 (R\$5,305 at June 30, 2019).

## Raízen Group

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#### Pension and healthcare plan of Raízen Argentina

Raízen Argentina, subsidiary of RCSA, granted pension plans to non-union employees with defined and non-financed benefit. These plans are active, but closed to new participants since the end of 2014, currently covering 29 employees. The healthcare coverage of retired employees is an inherited and frozen benefit, whose cost is equally apportioned between the Company and the former employees.

#### (b) Profit sharing

The Group recognizes a liability and an expense for profit sharing based on a methodology that considers previously defined goals for employees. The Group recognizes a provision when it is contractually bound or when there is a past practice that has created a constructive obligation.

#### 29. Supplementary cash flow information

##### (a) Reconciliation of changes in equity with cash flows from financing activities (FCF)

(Assets)/Liabilities	Short-term investments subject to financing (Note 5)	Loans and financing (Note 18) (2)	Lease liabilities	Related parties (1)	Dividends and IOE payable	Total
Balance at March 31, 2020	(50,460)	25,029,911	4,411,784	916,848	95,542	30,403,625
Transactions having an impact on Financial Cash Flow (FCF)						
Fundraising, net of expenses	-	1,836,605	-	-	-	1,836,605
Repayments of principal	-	(357,615)	-	-	-	(357,615)
Repayments of interest	-	(200,928)	-	-	-	(200,928)
Repayments of lease liabilities	-	-	(403,053)	(40,694)	-	(443,747)
Redemption of short-term investments	63	-	-	-	-	63
	63	1,278,062	(403,053)	(40,694)	-	834,378
Other non-FCF changes						
Interest, monetary variation and foreign exchange differences, net	(149)	976,910	88,615	16,340	-	1,081,716
Changes in fair value of financial instruments (Notes 18 and 27)	-	181,040	-	-	-	181,040
Allocation of dividends and IOE	-	-	-	-	37,000	37,000
Additions, write-offs and remeasurement of lease liabilities	-	-	304,295	28,774	-	333,069
Foreign currency translation effect and other	(244)	68,032	26,883	(3,943)	(5,550)	85,178
	(393)	1,225,982	419,793	41,171	31,450	1,718,003
Balance as at June 30, 2020	(50,790)	27,533,955	4,428,524	917,325	126,992	32,956,006

(1) Comprised of financial transactions, preferred shares and lease liabilities (Note 11.a).

(2) Stated net of CTN.

## Raízen Group

### Notes to combined consolidated and condensed interim financial information as at June 30, 2020

In thousands of Reais – R\$, unless otherwise stated

#### (b) Non-cash transactions

	<u>Apr-Jun/2020</u>	<u>Apr-Jun/2019</u>
Non-cash investing transactions		
Installments receivable due to sale of shares and formation of a joint venture	113,001	-
Right of use	(392,426)	(554,022)
Depreciation and amortization of agricultural assets capitalized as property, plant and equipment	(20,841)	(28,516)
Interest capitalized on property, plant and equipment (Notes 14 and 27)	(7,678)	(8,151)
Depreciation of agricultural assets capitalized as biological assets	(6,306)	(6,474)
Additions to property, plant and equipment and other, net	(1,859)	1,645
	<u>(316,109)</u>	<u>(595,518)</u>

#### 30. Events after the reporting period

##### Issue of Notes - Bond

On July 1, 2020, Raízen Fuels Finance, a subsidiary of RESA, issued and placed Senior Notes abroad in the aggregate principal amount of US\$ 225,000 thousand, to consolidate and form a single series with notes at 5.3 % due 2027, issued on January 20, 2017, totaling the principal amount of US\$ 725,000 thousand. The financial settlement of US\$225,000 thousand took place on July 7, 2020. The issue was backed by a corporate guarantee from RESA and RCSA.

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